CANADA

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HOUSE OF COMMONS

Thursday, April 26, 1956

The house met at 2.30 p.m.

ATOMIC ENERGY

ANNOUNCEMENT OF INVITATION TO ATTEND NUCLEAR TESTS IN THE PACIFIC

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, in connection with United States nuclear tests in the Pacific the house might be interested to learn that the United States department of defence is today making the following announcement:

Canadian and United Kingdom representatives have been invited to attend a nuclear detonation in the forthcoming test series at the Eniwetok proving ground.

The invitations were issued under the terms of bilateral agreements entered into on July 21, 1955, with Canada and the United Kingdom for exchange of atomic information for mutual defence purposes.

The nuclear detonation for which these invitations have been issued will be after that attended by U.S. news representatives and civil defence officials, about May 1.

I can add that Canada has accepted this invitation and a representative Canadian group will be in attendance.

EMERGENCY GOLD MINING ASSISTANCE

ANNOUNCEMENT OF EXTENSION OF PROVISIONS TO 1958

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, today the government has decided to extend the provisions of the Emergency Gold Mining Assistance Act for two more years, 1957 and 1958, at the same rate. A resolution and bill to implement that extension will be brought before the house at an early date.

NATIONAL DEFENCE

INQUIRY AS TO REPORTED RESEARCH IN BRAIN-WASHING

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of National Defence a question in connection with the experiments which have been carried on at McGill University in the field of brain-washing. In the light of the minister's earlier answer to a question on this subject on April 17 I wonder if the minister's brains have been washed so that he has forgotten he was minister in the years 1954 and 1955. However, if his brain has been set at rest on this subject I should like to ask if he has learned from his own department sufficient of what was going on to be able to clear up certain other discrepancies which appeared in that answer which he made.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, in view of certain reports which have appeared in the press I have made inquiries and I have practically no amendment to make to my statement of the other day. I may say that that statement was based on information from my officials. Notwithstanding the omniscience of certain press people, may I say that this experiment was initiated in September 1951 and was completed in the early days of 1953, and a report was issued in that year. This was all before my time as minister. There were other experiments carried on at McGill following that date, but they had nothing to do with changing the mental attitude of persons to which I referred. I notice the same gentleman accuses me in the press of having made an understatement of the case, but it occurs to me that in view of the number of overstatements we get from the other side of the house my statement may help to balance things up.

FINANCE

BANK OF CANADA—PURPOSE OF INCREASE IN INTEREST RATE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to ask the Minister of Finance a question of which I have given him notice. Can he take the house and the country into his confidence in the matter of increasing the interest rate? I am moved to ask this particularly by a statement in this morning's paper—

Some hon. Members: Question.

Mr. Macdonnell: I have asked the question. I am moved to ask it because of a statement that the premier of Ontario thought that the Canadian economy has been jeopardized because of federal government tinkering with interest rates.

Some hon. Members: Question.

Mr. Macdonnell: I will repeat my question. Will the minister take the house and the

country into his confidence and explain the reasons for the increase in the interest rate?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I think I can explain the reason for the increase in the interest rate very briefly. The interest rate of the Bank of Canada, commonly known as the bank rate, is of course just another interest rate. It is the interest rate at which the central bank will loan money to certain institutions, and that rate has to bear some reasonable relation to other interest rates.

It happens that the rates of all the central banks, at least that of the United States, the United Kingdom and other countries, have been raised substantially in the past 12 months. Our bank rate did not keep pace in the sense of matching the increase, but it nevertheless had to be increased from time to time for the same reasons as the other countries increased theirs. My recollection is that in the United States the bank rate has gone up four times in the past 12 months; I think ours has gone up just four times. In the United Kingdom the bank rate is already over 5 per cent, as compared with our 3 per cent.

This is all public knowledge. The reasons for it are as have been given, that we cannot maintain an artificially low interest rate for the central bank when other interest rates with which there must be competition are rising, and correspondingly the Bank of Canada does change its rates from time to time for that reason.

Mr. Macdonnell: I should like to ask a supplementary question. Has not the bank rate primarily to do with our local conditions, and does that mean that the government believes there is a serious threat of inflation?

Mr. Harris: The bank rate cannot possibly be fixed solely with regard to our local conditions, unless you think in terms of our local conditions being divorced from world trade. Naturally, our affairs in Canada are affected by the affairs of other countries, and that will bring a reaction on our trade and our demand for credit. When that demand does exceed certain available supplies, the bank rate will naturally go up, and that without regard necessarily to local conditions. Nevertheless, I think the hon. member knows, and I think all the members of the house know, that there is such a demand for money in Canada at the moment that interest rates are rising and are bound to rise.

Mr. H. R. Argue (Assiniboia): Might I ask a supplementary question? Was the increase in the central bank rate not a deliberate policy to encourage a general rise in interest rates in Canada, as is now taking place with the chartered bank rate?

[Mr. Macdonnell.]

Mr. Harris: I think the hon. member for Assiniboia was trying to make a speech, and I doubt very much if he expects or really believes that any servant of the government of Canada would take an attitude such as he describes.

Mr. Argue: Is it a matter of government policy to have the central bank interest rate increased in order to generally raise interest rates in this country?

[*Later:*]

On the orders of the day:

Mr. Argue: I wonder if I might ask my question in a different form? Is the recent increase in the interest rate charged by chartered banks not a direct result of the move by the central bank to increase its rate?

Mr. Harris: Mr. Speaker, except for the limitation in the Bank Act with respect to the rate of interest beyond which the banks cannot lend money, the government of Canada has no control over what they do with respect to interest rates.

Mr. Argue: You forced them to increase their interest rates.

[*Later:*]

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Did I understand the Minister of Finance to say that the government of Canada exercises no control over the financial system of the country? I thought the central bank was established for that purpose.

Mr. Harris: What I said was that we do not control the borrowing rate that the banks set for their customers except in so far as we put an upper limit on it in the Bank Act. That, I thought, was an answer to the question asked by the hon. member for Assiniboia.

CANADA EVIDENCE ACT

SUGGESTED USE OF MICROPHOTOGRAPHIC FILM AS PROOF OF RECORDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to direct a question to the Minister of Justice. Has any consideration been given to amending the Canada Evidence Act so that microphotographic film would be taken as proof of records of municipal governments?

Hon. Stuart S. Garson (Minister of Justice): Since my hon. friend did not give me notice of this question and since it deals with a matter of detail, I shall take his question as notice.

PARLIAMENT BUILDINGS

STATEMENT ON RESUMPTION OF ELEVATOR SERVICE IN PEACE TOWER

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Oxford asked when the elevator in the peace tower would be back in operation. The answer is that it will be in full operation tomorrow.

CIVIL DEFENCE

PARTICIPATION OF MEMBERS OF PARLIAMENT IN EVACUATION EXERCISE

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): May I ask the Minister of National Health and Welfare whether, since a major international civil defence exercise is planned for this summer, members of this house will be called upon to co-operate in the evacuation plan if the house is still in session?

Hon. Paul Martin (Minister of National Health and Welfare): Having in mind the date of the exercise to which my hon. friend directs my attention, I do not know whether I am to construe from his question that this is an indication that we are going to be here in session as a result of his persistence. In any event, the matter which he raises is, as he would expect, fully under consideration.

JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES IN QUEBEC AND BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act to provide salaries for four additional judges of the superior court of Quebec and two additional judges of the supreme court of British Columbia.

Motion agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Fulton: Mr. Chairman, it might, I think, shorten the discussion if the minister would just tell the committee in general terms the nature of the request and the reasons for it. I know in my own province there have been requests and I imagine the same is true of the province of Quebec, but perhaps we might have the details.

Mr. Garson: Mr. Chairman, as hon. members are all aware, in our judicial system in Canada the provincial legislatures determine by provincial legislation the number

of judicial vacancies that there are from time to time upon provincial courts. Where the business of the courts increases to the point that an additional number of judges are necessary the required provincial legislation is passed to create these additional vacancies. After the additional vacancies have been created in this way we here at Ottawa take the power by an amendment to the federal Judges Act, such as is being ushered in by this resolution, to make appointments to fill these new judicial vacancies in provincial courts.

In the present case the amendment covers two additional judges to the trial division of the supreme court of British Columbia and four additional appointments to the superior court of the province of Quebec. I have satisfied myself by inquiries that there is ample reason for the provincial legislation being passed to create these vacancies and that it is necessary that we should take the power by means of the legislation to which this resolution will lead, to fill those vacancies in due course.

Mr. Fulton: With respect to the two additional appointments being provided for the province of British Columbia, when were those requested? My recollection is that last year provision was made out there for one additional judge and that a request was made for one additional judge. My recollection may be faulty but it seems to me that the request for the second judge must be somewhat more recent. Could the minister confirm that impression; or if I am wrong, can he tell me when the request was received?

Mr. Garson: So far as we are concerned, Mr. Chairman, the request does not really become too effective until the provincial legislature has actually passed the legislation. As I am sure my friend the hon. member for Kamloops himself is aware, that legislation was proclaimed within the last two or three weeks. In other words, we had been having correspondence with the attorney general of British Columbia and with the chief justice of the court in British Columbia prior to that time but we were not in a position to take too great cognizance of that until the actual vacancies had been created and the provincial act passed to that end had been proclaimed.

Mr. Fulton: That was just this spring, then.

Mr. Castleden: Can the minister give the house a breakdown of the number of supreme court cases by provinces and also the number of cases per judge over say a five-year period?

Mr. Garson: Mr. Chairman, I do not think I could possibly do that. I secured from the chief justice of the trial division of the court in British Columbia a statement as to the number of cases they had been considering during the past 12 months. However, I do not feel that I have the authority to demand of those provinces which are not requiring additional judges information as to how many cases they try. In a matter of this kind my authority is pretty much related to satisfying myself that in those courts in which additional judges are being asked for there is really a need for them. Moreover, I question very much whether the comparative statistics which my friend the hon. member for Yorkton is seeking would reveal much because a great deal depends upon the nature of the cases as to how long they will take. Mere numbers in two parallel columns would not necessarily indicate that a number of cases in the one column would take up more time than the same number or even a greater number in another one.

Mr. Castleden: Mr. Chairman, I believe that such a table would indicate, in a general way, the case load of the judges in the various provinces. It might turn out that there are just as many supreme court cases per judge in other provinces. From what the minister has said I take it that the request has come just from the two provinces, namely British Columbia and Quebec. In the province of Quebec at the present time, how many supreme court judges are there?

Mr. Garson: At the present time there are 44. But as an indication to my hon. friend of how lacking in comparability statistics of that sort would be, may I just say this. In the province of Quebec they do not have—as they have in my hon. friend's province—any county court judges at all. Apart from magistrates and small debt cases, all of the cases which are tried in the province of Quebec go to the one court. Hence, if one were to take a comparison such as my hon. friend indicates, it would tend to mislead unless one made allowance for the difference in circumstances. When one had done that, I am afraid the statistics would have to be so heavily qualified that they would not mean very much.

Mr. Castleden: Mr. Chairman, I still submit that if we could have the statistics with regard to the number of supreme court cases for each of the provinces for say the past five-year period, that information would indicate whether there has been sufficient increase in the case load to warrant an increase such as this in the judges for each of those provinces. That is the figure I was after.

Mr. Garson: I can give my hon. friend the figure as to the number of actual court days that were spent by the judges of British Columbia, month by month, during the past 12 months. I think that is a better test. For the real question is this. Out of the total amount of time which all of the judges of the court have available, how many days do they necessarily spend in court considering these cases—not how many cases do they try. In one instance you may have a case, a jury trial in a civil action, that may last for two weeks. You may have another case that lasts for two hours. They each appear in the statistics as one case, but to say that they are comparable would be quite wrong. If my hon. friend would like me to put it on the record, I could give him this breakdown of British Columbia court room time. I think however, for the purposes of the committee, a statement which I have here from the chief justice of the court as to just what conditions are with the existing number of judges would be of greater service. If my hon. friend would like me to do so, I would not burden the record with all of the chief justice's statement, but I would be very glad to read the more relevant sections of it into the record.

Mr. Castleden: Such a statement concerning the number of days spent in court by supreme court judges would, I think, be of value. I think it would be perhaps of even more value to know how that compared with the number of days spent by each judge or the average number of days spent by judges say three years ago and thus ascertain whether there is an increase in the work which would warrant the increased number of appointments.

Mr. Garson: I think, Mr. Chairman, my hon. friend is right to a certain extent. Certainly we should satisfy the members of the committee that the increase we are asking is really necessary. I do not know of any better way of establishing that point than by putting before the members of the committee the conditions which were prevailing in the court at the time the request was made. I think perhaps to that end, if this meets with the approval of the members, I might quote from this report from Chief Justice Sherwood Lett. He says this:

> Members of the court are, and have been for some time, overworked. All the judges have accumulated reserve judgments which, sitting as they are from day to day, they find impossible to dispose of with the promptitude which should

prevail if the interests of litigants and the convenience of members of the bar are to be taken care of properly. The situation is unhealthy for the administration of justice and embarrassing to the judges themselves. Litigants are being unreasonably delayed.

The population of the province has increased rapidly in the last 10 years and this increase has been reflected in the work of the court, not only in greater Vancouver but also in Victoria, New Westminster, Nanaimo, Prince George, Vernon, Kelowna and Penticton. The government has recognized the growth of population in centres such as these by the construction of new court houses at several of the points mentioned and at other places, such as Courtenay and Chilliwack.

The work in Vancouver has increased on both the civil and criminal sides. We have, as you know, a continuous assize in Vancouver.

Now, my hon. friend from Yorkton could contrast that with his own city where they would not dream of having a continuous assize to dispose of cases. They have an assize a few times a year to dispose of the cases, then there is a long gap before the next assize.

I continue to quote from the report:

We have, as you know, a continuous assize in Vancouver, and the criminal trial list is very much congested. Seemingly, in both civil and criminal work, there are many more long trials than a few years ago.

That is another indication that the statistics of a few years ago and the statistics now would not mean very much by comparison. It is the length of time that the members of the court have to spend which is the real criterion as to whether or not additional judges need to be appointed. I again quote:

To illustrate, in the last year we have had one civil case of more than eight weeks' duration, another of four and a third of 18 days. We have had regrettably more than the usual number of murders and every murder trial lasts for several days at least. Cases dealing with narcotics also appear to be on the increase. In Victoria, which in days gone by had little litigation, the volume had markedly increased.

Nanaimo, which formerly took only two or three days a month at most now has to be judicially serviced much more frequently. The assizes and the civil work there require a judge on an average of seven to 10 days a month.

New Westminster requires the services of a judge almost every day except Fridays. The last criminal assize extended for almost eight weeks and the current criminal spring assize is heavy, and will probably continue for some weeks more.

The work in the Yale judicial district can no longer be handled by the attendance of a judge for one or two weeks twice a year. We still have semi-annual assizes at nine points in the interior of the province, but, in addition to that, it is now necessary to allocate a judge to do civil work in the interior at least two or three times each year, which takes a judge away from Vancouver from two to four weeks on each occasion. It is impossible to keep abreast of the work in Vancouver with two or three judges away on circuit a great deal of the time.

Then, he goes on:

The number of applications in chambers in increasing, and, as many applications are lengthy, the chamber judge is not available for trial work.

Divorce actions in Vancouver and New Westminster average over 30 a week.

The trial of custody of children cases (inclusive of the perusal of reports from the superintendent of child welfare), reports to the court of appeal and reports to the remission branch of the justice department take many hours of judicial time.

The pressure of work from day to day results frequently in oral judgments with which judges themselves are not satisfied and the accumulation of reserved judgments which judges find it impossible to deal with promptly, to the dissatisfaction of litigants and the profession.

Therefore, Mr. Chairman, to my satisfaction at least the case which the chief justice has put up in this memorandum from which I have quoted is a pretty unanswerable one.

Mr. Castleden: I should like to know whether a similar situation might not be true of cities like Toronto, Hamilton, Sarnia, and Edmonton, all of which are growing also? Can the minister assure the committee there has not been a similar increase? Perhaps the supreme court judges may be overloaded in those cities. That is the point I was making.

Mr. Garson: There is one point I am wondering whether my hon. friend really appreciates; and it is this. Before these matters ever get to the floor of this house at all it is necessary for the chief justice of the provincial court to convince the provincial attorney general and the provincial government that there is a state of congestion of the cases in his court. The provincial legislature has to amend its provincial laws before there is any occasion for our introducing any legislation in this chamber. Therefore I would assume that if, in relation to Hamilton and Toronto and the other places to which my hon. friend has referred the members of the Ontario legislature have not as yet seen fit to create more vacancies, they must feel they are being well served at the present time.

Mr. Diefenbaker: As a matter of fact in the province of Saskatchewan I am of those who believe that there should be an increase of two judges on the Queen's Bench, but strangely enough the government of Saskatchewan, with apparently ulterior matters in view, brought in legislation within the last two years to reduce the number of Queen's bench judges there by one. If a vacancy takes place or one of the judges dies, then the number of Queen's Bench judges will be reduced by one because of the fact that the government of Saskatchewan thought that if one of the present judges were to retire or die, a certain person, now a member of this

house, might be appointed as a judge. I mention that. It does indicate that the decision made by the government of Saskatchewan was not based entirely on considerations relative to the demands of justice or to the necessity of justice being attained with maximum speed.

As a member of the bar of British Columbia I do feel that the request from that province is a reasonable one and is necessary in order to do two things. One is to permit judges to catch up with the tremendous amount of work they have. For some reason or another litigation has increased there tremendously in recent years.

Secondly, to ensure that justice is done at the earliest possible date. One of the major considerations in the administration of justice, and this has been said quite often, is that not only shall justice be done but that it be done expeditiously. There has been a great piling up of cases and I know that this applies in the province of Quebec where the number of judges has been insufficient to meet the increasing demands of litigation, and there is a need to increase the number on the bench.

I suggest also to the minister that in filling these vacancies regard should always be had to assuring that the best possible members of the bar are secured to fill the vacancies. It is important that justice be done at an early date, but it is equally important that justice shall in fact be done. The best lawyers available, without regard to political affiliations, should be appointed to these positions.

Mr. Castleden: Mr. Chairman, I was rather surprised that the hon. member for Prince Albert should make a charge on the floor of this house that the Saskatchewan government is allowing political considerations to enter into the appointment of additional judges in that province.

Mr. Diefenbaker: They have reduced the number.

Mr. Castleden: The hon. member indicated a possibility of some member of this house being appointed to the queen's bench. I am rather surprised that such a charge should be made against the members of the Saskatchewan government and it is unfortunate that they are not here to defend themselves in this place. I can assure the hon. member and this committee, and I think the Minister of Justice will support me in my statement, that as far as the provincial government is concerned they have always endeavoured to have the highest quality of justice that could possibly be made available to the people of that province. That has always been their aim. I certainly do not like the implication that the provincial government's policy is based on some political motive.

Mr. Holowach: Mr. Chairman, I am not a member of the legal profession which has as its symbol justice, and its true administration, nor is it necessary to be a member in order to appreciate that those who serve in our judiciary are filling a most important place in our complex society. I feel that as long as the Canadian people enjoy liberty and justice the profession of law will continue to be a great one and have the esteem and respect of all our people. We all know that in a free country such as ours the administration of justice is absolutely essential to our survival, especially today when we see philosophies of life and government which are not only challenging our way of life but actually denying justice to countless millions.

As I see it, parliament and a judiciary system composed of men who are honest, impartial and learned, are the true guardians of the principle of justice for the Canadian people. We should always try to strengthen our judicial system and in doing that I think we should keep two requisites in mind. First, we should make our selections from those who are of the highest calibre, impartially and irrespective of the political affiliations of the candidates. Secondly, we should constantly re-examine the needs and requirements of these people in order that there may be the maximum speed in the administration of justice.

I notice that this resolution provides for the appointment of four additional judges to the Superior Court of Quebec and two additional judges to the Supreme Court of British Columbia, as well as the fixing of their salaries. It would seem that the bringing in of this resolution was motivated by the necessity of clearing up a backlog of cases. If that is so, then the resolution is most timely. We should remember that when we delay justice we are denying justice.

As far as the salaries are concerned, I am not just sure what they will be and perhaps we should be told. I do not know what amounts are allocated for the judicial system in Canada. It may be found upon examination that in the light of recommendations from the judges themselves these salaries are inadequate. I think proper salaries in this field are most important because they would bring forth the best effort and at the same time make our judges financially independent.

I do not know what process is followed to meet the needs and the recommendations made by our judiciary, but the point I make is that somehow or other those needs and

requirements and recommendations should be brought forcibly to the attention of the public and hon. members of this house. I do not think that is being done and I do not think we have enough information on it. I read a most interesting report of an address given by William P. Rogers, deputy attorney general of the United States, at a testimonial dinner for Judge James C. Connell, Cleveland, Ohio, on November 17, 1954, and he had this to say:

> I want to propose to you here tonight a plan which I believe holds great promise for the future of the judicial system. I believe that a primary need of the federal judiciary today is an effective way to speak to the congress and to the people of the United States. The judiciary needs a voice possessing strength and prestige to speak effectively. That voice is, in my opinion, the voice of the chief justice of the United States. I believe that the chief justice should be invited by concurrent resolution at the beginning of each session of congress to address a joint session of the house and senate. At such a joint session of congress the chief justice could effectively present to the congress and the people of the United States not only the needs and problems of the federal judiciary, but give a broad and comprehensive picture of the performance of the courts in their vastly important function of doing justice between man and man and between the government and its citizens.
>
> There should be, and I believe that there is, no partisanship in the matter of providing adequate facilities for our federal judiciary. In the past the fault has not been with congress. The fault has been, in my opinion, with the procedure whereby the needs of the courts are not fully presented to the entire congress and the people.
>
> The judiciary holds neither the power of the sword nor of the purse. But if, as we believe, justice is the chief concern of men, then the instrumentalities of justice—our courts—must be assigned a truly co-ordinate position in our governmental scheme. They should enjoy in greater degree than they now do the opportunity to declare and to make known their problems, needs, and plans for more effective performance of their vital functions in our society.

I do not know just how akin that problem raised by Mr. Rogers is to our own case, but I think it offers food for thought. I am pleased to say that we in this group are in full support of this resolution and at this time we should like to express esteem and best wishes to those whom this resolution will affect. We feel confident that those who are responsible for this resolution have given careful consideration to the matter of these appointments with the view that we add eminence to our judiciary.

Resolution reported and concurred in.

Mr. Garson thereupon moved for leave to introduce Bill No. 252, to amend the Judges Act.

Motion agreed to and bill read the first time.

Veterans Loans

VETERANS BUSINESS AND PROFESSIONAL LOANS ACT

AMENDMENT WITH RESPECT TO GUARANTEED LOANS

The house resumed, from Monday, April 23, consideration in committee of the following resolution—Mr. Harris—Mr. Robinson (Simcoe East) in the chair:

> That it is expedient to introduce a measure to amend the Veterans Business and Professional Loans Act to provide that a loan under the act is a guaranteed loan if the application therefor is made within the periods specified, even though the loan itself was made at a later date.

Mr. Harris: This is a quite simple amendment which has been recommended to the house because of a little difficulty we ran into in connection with the administration of the act. As I think hon. members will recall, the government said during the war years that it would provide a guarantee to banks for certain loans to be made to veterans of professional or business standing, in order to re-establish them. The loan was to be guaranteed if made within ten years from, I think, May 1 or March 1, 1945, or ten years from the date of the discharge from the armed services of the veteran.

We found last year that there were cases where the ten years was running out. The veteran had applied for a loan, but there was sufficient time lag between the application and the final determination by the bank to make the loan that in fact the ten-year limit had run out in the interval. This was no one's fault. There would be a normal time for the banks to investigate the loan and to have it certified through the Department of Veterans Affairs that the applicant was in fact a veteran and entitled to the benefit of the guarantee. So, in order to overcome the possibility—in fact, the actuality, as it turned out—that a veteran might apply in what he would consider sufficient time to obtain the advantage of the guarantee, and yet not receive it because of the lapse of the ten year period, we are suggesting to the house that we might amend the act so that the date of his application would be the date that would be used to determine the ten-year period. In other words, if a veteran applies any time up to the last day of the ten year period and the application is subsequently granted, the government will guarantee that loan to the bank.

Mr. Castleden: What is the last date?

Mr. Harris: The last date is either ten years from, I think, May 1, 1945, or ten years from the date of his discharge from the armed services, whichever is the later.

Mr. Castleden: Does that include Korean veterans?

Mr. Harris: Yes.

Mr. Brooks: We appreciate the explanation by the minister. I might say that there has been very little veterans legislation before the house; this is the first amendment to any veterans act that we have had this session. I do not think it indicates altogether that it is not necessary to have a few amendments to some of the acts; in fact, I could suggest a few myself, and probably will later on.

This act has been quite a popular one with the veterans, and perhaps there will be some disappointment that the act is now at an end. The purpose of the act, as the minister has told us, was to encourage the Canadian banks to make loans to veterans at a comparatively low rate of interest—up to five per cent, I believe—to establish themselves in business and professions.

As the minister has told us, this is a simple amendment. It simply extends the time of the loan where the application was made before the time had expired. As a matter of fact, the date of expiry was January 1, 1955, and this is almost May 1, 1956. My criticism of that would be that it has taken almost a year and a half to make this amendment to the act, and there must have been a good many applications which could have been made in that time.

I should like to ask the minister how many veterans will be affected, how many applications have been made and how many are pending. If we take the report which it is provided shall be presented each year to the house, on or after March 31, we find in the latest report that, as I say, this has been quite a popular act with veterans. There have been 7,371 applications approved, and the loans have totalled almost $15 million.

I note that in the year 1954-55 there were 218 applications. This Act provides for applications from Korean veterans as well as from others. I should also like to ask the minister how many Korean veterans are included in this number of 218. I might also ask, since this is a popular act with the veterans and is giving great assistance in establishing many of them in business and assisting them in business, why the act is not extended for a further period of time to allow more veterans to borrow money under the act in order to set themselves up in business. It has been of great benefit.

As I understand from the report the department has issued, there has been very little loss as far as the government is concerned. The veterans have been making their payments quite regularly, and it would seem that it was of great assistance to them. To show just what benefit it has been to the veterans, I should like to quote from the latest report by the Department of Veterans Affairs with respect to loans under the act to March 31, 1955. This report shows the following purposes for which loans were made and the number and total amounts thereof:

	No.	Amount
Purchase of a business	1,544	$3,564,566.51
Purchase of an interest in partnership or capital for new partnership	1,590	3,390,662.22
Purchase of machinery, tools, instruments or other equipment	1,483	2,459,221.30
Repair of machinery, tools, instruments or other equipment	12	14,675.80

Then we have construction, repair or alteration of, or making additions to buildings or structures, 693, and the amount involved is $1,406,494.48. The last item is purchase of motorized units, 1,060, and the amount involved is $1,372,641.19. The total amount is $12,208,261.50. As I stated a moment ago, there has been an increase in that amount to over $14 million. In view of the fact that there have been so many applications for benefits under the act and in view of the fact that the administration of the act will have to continue for a number of years because, I take it, the Korean veterans will have ten years in which to make their applications and in addition there will be considerable amounts to be collected over a number of years, it seems to me that the act might be amended to continue for some time, perhaps for five or ten more years.

I should like the minister to answer some of these questions. How many will be affected by the amendment? Will it mean any reduction in staff? How much has had to be written off for bad debts resulting from nonpayment by veterans? How much longer does the minister estimate the act will have to be continued in force in order to provide for the Korean veterans and the collection of debts? I do not think there is anything further I wish to say regarding the legislation, but I should like the minister to answer the questions I have asked.

Mr. Harris: On the first point I accept the hon. member's dates as being correct, that for those who were discharged before the 1st of January, 1945 the time limit of the legislation ran out some 12 or 14 months ago. The first case we learned of where there were any adverse results was in October so that I take it no one had applied prior to then who had had the ten years run out on him between the date of application and the date of granting of the loan. That was the first case, as I say, where we found that

this situation obtained, and we decided in that month to recommend this amendment to parliament.

Mr. Brooks: That is October of last year.

Mr. Harris: Last year, 1955. This is intended to cover all future cases, of course. The other information that the hon. member has asked for will be given on second reading. I do not have it at the moment. With respect to the Korean veterans, the amendment of course applies to them as well, as the hon. member has said, so that at the expiration of their ten year period they will have the additional time that the amendment grants between the date of application and the granting of the loan.

Mr. Brooks: What effect will it have on the staff?

Mr. Harris: The staff can handle this without any addition. We in finance do keep our staff down. We do not think that any additional staff or expense will be required to administer the act in the foreseeable future.

Mr. Brooks: I did not contemplate there would be any addition to the staff. I wanted to know if there would be any reduction in staff. There will be less work to do.

Mr. Harris: I do not think we can reduce the staff, although I will certainly look into the matter. It is a very minor job compared with others that we do and I think it is looked after by two or three civil servants who have many other duties as well.

Mr. Brooks: There is another question I asked the minister with reference to extending the time. I do not mean for those whose applications are already in, but since this is a popular piece of legislation I should like to know if there is any disposition on the part of either the veterans affairs department or the minister's department to increase the time from five to ten years for the benefit of applicants who might like to have assistance in setting up a business.

Mr. Harris: This, of course, brings up a rather fundamental question of policy. The purpose of the act was to see that veterans were re-established, not to go further and provide some kind of assistance to them throughout their lifetime. I realize that one may argue for the latter case, but this legislation was one of the many measures which were designed to see that veterans had an opportunity very quickly to obtain assistance in order to get started in business. I must say I am only surmising but I think I can say that the number of applications had been declining steadily except for those that are coming up in respect of the Korean veterans.

Mr. Brooks: There were 218 last year.

Mr. Harris: Yes, but that would probably be because some realized that it was the last year. It would not be our intention to extend the time unless there are very good reasons for it. I would be glad to hear any argument advancing reasons but it would have to be based on a continuing advantage to a veteran whose circumstances did not require him to take advantage of the legislation in the past ten years.

Mr. Brooks: It was done, I might say, in the case of the Veterans Land Act.

Mr. Harris: I realize that.

Mr. Herridge: I want to say a few words on the resolution which provides, as the minister said, for a simple amendment to the Veterans Business and Professional Loans Act. I suppose you might term this resolution as a form of legislative tiddledywinks. Anyway, I have a personal interest in the measure. I was present at the Canadian Legion convention in Vancouver in 1944 and was one of the members of the committee that helped to draft the first resolution that suggested legislation of this type to the government of Canada. I remember the discussion on the legislation in 1946 when it was introduced and in the veterans affairs committee. I also remember the debate on second reading on August 8 of that year.

At that time I think most members of the house who spoke on second reading of the bill thought that it would perform a useful service for a good number of veterans. I think experience has proven that correct, although there have been some criticisms. My experience in my constituency, and I can only speak of what I know, is that it has been of assistance to a considerable number of veterans in becoming re-established, particularly in very small businesses. I understand the department is solely concerned with qualifying the man. It issues a certificate establishing the fact that the veteran concerned is qualified to receive assistance under the act and the administration of the act is the responsibility of the officials of the banks.

While, as I said, on the whole I think it has been a most successful piece of legislation, I have found a few instances where I thought the positions of the officials of the banks were rather rigid. There was a somewhat too severe and rigid assessment of the risk. I have only a very few cases but I have some of that type. I am going to illustrate by mentioning one. There was a veteran in a small

town in my constituency who had operated a small business very successfully for ten years since his return from overseas in 1946. He had a property. The land was valued at not less than $10,000 and might have been worth two or three thousand more. There was a mortgage on the property for $3,000. The man applied to the local bank manager for assistance in the form of a loan under the act. The local bank manager considered the matter, thought it was an excellent risk and recommended the granting of the loan to the veteran concerned. However, apparently loans of that size have to be endorsed by the senior officials at the district offices in Vancouver.

After some consideration the official concerned—possibly the superintendent of the bank in question—refused the application for the loan and the veteran was obliged to go without it. I went into the case thoroughly. I discussed it with other prominent business men in the constituency and with the bank manager concerned. It was a first-class risk. It was a loan to a veteran who for 10 years had proven himself to be a successful small business man who owned property—I have reference to the land alone, not the store itself—which was worth at least three times more than the amount of the loan he asked for, which was $3,000. At that time the loan would have been of great assistance to the veteran. Even the local bank manager could not tell me why the district authority had rejected the loan.

I have been informed that while the Department of Veterans Affairs is not directly involved in the administration of the act, the officials are concerned in following up in order to ascertain how the act functions. While on the whole I think the administration of the act has been satisfactory, I think the percentage of instances of a too rigid assessment of the risk involved is sufficiently high to justify some further consideration by the Department of Veterans Affairs. I therefore recommend that the senior officials of the bank and the senior officials of the department go into this question. If it is gone into carefully and if they get information from across the country, I am quite sure they will find that in some cases, as I said before, there is a too rigid assessment of the risk in connection with the loan concerned.

Second, I would certainly support the suggestion made by the hon. member for Royal to the effect that the government should give consideration to extending the life of the act. It has proved to be beneficial. It has functioned, shall I say, more smoothly as the years went along. The loss involved has been very small indeed. I do not know the figure but I understand that it is very small; I refer to loss on account of loans guaranteed by the government. The act has been performing a good service. I cannot see any reason whatever why the government should not give consideration to extending the life of this piece of legislation which has proved to be so successful and which has been of benefit to many veterans in this country.

Mr. McLeod: Mr. Chairman, I should like to say a few words on this measure. We are certainly in favour of the resolution. As to the act itself, we believe that it has been beneficial and that it has been the means of assisting many veterans to become established in business. It is perhaps assisting a group that we might put on a basis comparable with that of those who are receiving assistance under the Veterans Land Act. Of course, not all our veterans wish to become farmers. If they desire it, I think they should be allowed the assistance necessary to establish themselves in any other worth-while business. But I would certainly support the two members who have just spoken, namely the hon. member for Royal and the hon. member for Kootenay West, in asking that the act be further extended. I cannot see that it is anything short of discrimination against those who do not wish to become farmers if they are to see their rights cut off whereas those who wish to apply under the Veterans Land Act are still able to get assistance. The request for this extension is, I believe, a reasonable one. I am sure the minister will give it further consideration while the act is being amended.

As to the need for this amendment, it arises out of the fact that the original act was not correctly worded and its purpose is to give the necessary protection in cases where loans have not been processed prior to the time of expiry of the period specified. Hence, outside of the fact that we are making a plea for a further extension of this act, we are in wholehearted support of the amendment and appreciate the fact that it is being brought forward at this time. However, we cannot stress too strongly the need for it to be continued. I happen to know of a young veteran who upon discharge from the services—he had several years of service—went into private employment and then, after a few short years, decided that he would like to become established in a business. He had some money of his own but not sufficient to make a complete purchase of what he had in mind, something that his training both in the army and in subsequent employment had educated him up to. He was at a loss to become established in this way. While the minister mentioned that the number of applications is steadily diminishing, I suggest that situation might be

owing to the fact that so many of these veterans realize that it is hopeless to make an application. I still think there are many who would like to avail themselves of this act in order to become established in business. I should certainly like to see further serious consideration given to an extension of the period in which the act is effective.

Mr. Pearkes: Is a Korean veteran who re-enlists in the regular army still entitled to make application for this loan, no matter how many times he may re-enlist in the regular army?

Mr. Lapointe: I understand that is the present position.

Mr. Brooks: When would his time commence? Suppose he was in the army for eight or ten years. Can he make application after he is discharged from the army and then continue for another period of ten years?

Mr. Lapointe: There seems to be a conflict there. As a matter of fact, that matter is being considered at the present time. If is is necessary that changes be made, it is proposed to make them.

Mr. Pearkes: Then in reply to my question in which I referred to a man who re-enlisted, the answer is that it is not definite that he can get a loan now? Can I get an answer instead of a nod of the head?

Mr. Bennett: Mr. Chairman, the Korean veteran is entitled, as I understand it, to the benefit of this act upon his discharge because this act reads "ten years after his discharge". The fact that he is discharged makes him entitled to the benefits of this act. That seems to give him in some cases the preference over some other veterans. As the minister says, that question is being considered at the present time. The man who kept on with his service after the Korean war, as I say, by the fact that he takes his discharge later on may become entitled to the benefits of this act because this act says "ten years after the date of discharge". As the minister says, the matter is presently being considered and there may be amendments to bring them more in line with the way that other veterans were treated if that is necessary. But of course hon. members will be given notice of them.

Mr. Pearkes: It will be borne in mind that there are still troops in Korea?

Resolution reported and concurred in.

Mr. Lapointe (for Mr. Harris) thereupon moved for leave to introduce Bill No. 253, to amend the Veterans Business and Professional Loans Act.

Motion agreed to and bill read the first time.

Canada Lands Surveys Act

CANADA LANDS SURVEYS ACT

AMENDMENTS RESPECTING REMUNERATION OF EXAMINERS

Hon. George Prudham (Minister of Mines and Technical Surveys) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Canada Lands Surveys Act to provide that the members of the board of examiners shall be remunerated on an annual basis; also to authorize the treasury board to fix the fees to be paid to special examiners.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

Mr. Prudham: Mr. Chairman, briefly the purpose of this resolution is to introduce a bill to amend the Canada Lands Surveys Act in so far as the remuneration of the members of the board of examiners for dominion land surveyors and the secretary thereof is concerned, and in so far as the fees to the special examiners who are appointed under the act are concerned. The first board of examiners was established some 81 years ago in 1875 under the authority of the Dominion Lands Act of that date. Over the years there has been a need for amendments to the act to meet changing conditions, and this resolution proposes another change to bring the method of payment of the board of examiners into line with conditions as we find them today.

In looking over the files it has been very interesting to follow the reasons for the changes that have been made from time to time. I think it would be advisable to put a statement on the record so that in future years it will be there for reference, and although this would probably be more properly made on second reading of the bill I should like to put it on the record now.

By the first amendment it is intended to remunerate the members of the board and the secretary on an annual basis rather than by a daily fee as now provided under section 7 of the act, which fee is conditional upon the attendance of the board members and of the secretary at meetings of the board called for the purpose of examining candidates, or for any other purpose, or who attends as a special examiner at an examination. A great portion of the work required from each member of the board consists of the setting and marking of examination papers, which work is done by each member individually. The members of the board hold a certificate of the highest class and, in addition to being dominion land surveyors, are also dominion topographical surveyors, which

certificate requires a very wide experience in scientific surveying operations. As a matter of fact, only 32 have qualified as dominion topographical surveyors since 1875, whereas 828 have obtained their commission as dominion land surveyors since the same date.

The chairman, the members and the secretary of the board are all civil servants who have a full-time job to do, with the result that the duties imposed upon them because of their appointment to the board are over and above their normal daily duties and consequently this extra work, I am informed, has to be done outside normal working hours. The board members, because of the type of work that they have to perform—here I wish to refer particularly to the setting up of examination papers and the marking of those papers—can more conveniently and in a more satisfactory manner perform that work individually. The result of this is that the bulk of the work is not done at meetings for which the fees provided in clause 7, as it now stands, could be paid. For many years the members of the board have considered themselves as attending a meeting as contemplated by the act when performing the type of work mentioned, and were paid on an estimated number of sittings based on the average number of days during which the member has to work in setting up and marking the examination papers rather than the actual number of meetings at which they attended. I am informed that the meetings where the board may sit as such are from five to six annually. If the board members were to be compensated on the basis of these five or six meetings, the compensation would not be adequate considering the amount of work required to be done.

Because the number of candidates may vary from year to year with the result that the work may increase or decrease from year to year, it is intended by this bill to provide for a remuneration at an annual rate to be fixed by the treasury board on the recommendation of the civil service commission. Based on the experience of the past and on the volume of work to be done, this basis of remuneration seems more equitable and more logical under the circumstances.

With regard to the second amendment which deals with the fees payable to special examiners I wish, for the benefit of those who might not be familiar with the operation of the Canada Lands Surveys Act, to briefly explain how and when such special examiners are appointed. First of all, under section 8 of the act, the minister may, upon the recommendation of the board, appoint qualified persons as special examiners to examine candidates. Special examiners must be either dominion land surveyors or provincial land surveyors duly qualified under the laws of the province in which they will preside at examinations to be held therein.

Generally speaking, surveyors who are not civil servants are only appointed special examiners when surveyors of the government are not available to hold the examinations or when the cost of sending a surveyor from Ottawa to the place of examination is considered greater than the cost of the appointment of a local qualified surveyor. Special examiners as a rule are appointed when examinations are held at centres other than Ottawa.

Section 9 of the act now provides that a special examiner is entitled to receive $25 for each day's sitting of examination at which he presides, together with his actual living and travelling expenses. It is known that the prevailing tariff rate of land surveyors associations or corporations in the several provinces of Canada is not the same in every province. According to figures shown to me recently, the prevailing tariff rates vary from $25 to $50 per day. Hon. members will easily understand the difficulty encountered on certain occasions in obtaining a special examiner at the rate of $25 per day, as set out in the act, when the prevailing rate in the province may be much higher than that. The provincial tariff rates vary from time to time, with the result that a fixed fee as now established renders the operation of that part of the act extremely difficult. By this amendment it is therefore intended to have the fee payable to special examiners fixed by the treasury board in order to give the obviously required flexibility to the operation of this section.

Mr. Green: Would the minister tell the committee the number of dominion land surveyors registered at the present time, and also whether there has been an increase in numbers as a result of the opening up of the Northwest Territories and the Yukon? As I understand it, a surveyor, to undertake work in these districts in Canada, must be a dominion land surveyor, although there may be some provision by which a provincial land surveyor can do that work. Most of this surveying work in Canada naturally would be done in the provinces. For that work I take it that it is unnecessary for a surveyor to be a dominion land surveyor. When the dominion owned the natural resources in the western prairie provinces I presume there was a much bigger demand for dominion land surveyors. Will the minister give us information along these lines so that we may have some idea of just how important these amendments will be?

Mr. Prudham: Mr. Chairman, I have not the statistics of the actual number of dominion land surveyors at the present time. I have a list of the candidates for the last five years, which will give some indication of the number who are coming in. In 1951 there were 61 candidates; in 1952, 53; in 1953, 115; in 1954, 87; and in 1955, 93.

Since the resources were returned to the provinces the provinces have qualified their own surveyors under a corporation, or whatever happens to be the recognized authority in the provinces. However, we do conduct the surveys on Indian lands and on other crown lands.

Mr. Green: Even in the provinces?

Mr. Prudham: Even in the provinces, although it is not essential. We can use a provincial surveyor to do that work. In the Northwest Territories the dominion land surveyors are the recognized authority for the surveying and the registering of the surveys. For that reason, we know it is necessary to have this system of qualifying dominion land surveyors until such time as the territory might become a province or more than one province and set up its own authority.

The standard of qualifications for dominion land surveyors is very high. I believe that the various provincial corporations relate their qualifications to the standard set by the dominion land surveyor authority. At the present time we have great difficulty in maintaining a sufficiently large staff to do the work required. I am not sure of the figure; I think we have only about 18 on our staff at the present time, and they are spread out over a vast area. There is no doubt that we have a backlog of work.

During the last year we endeavoured to recruit some additional surveyors for our staff. Out of 500 letters sent out we had only one recruit. It is a problem that we face in other branches of our work, to be able to induce people to work for the rate of pay that obtains in the government when private industry is willing to pay enough money to get the people they need. Perhaps that answers my hon. friend's questions. If I have missed any I shall be glad to answer them later.

Mr. Green: I have just one further question. Can a provincial land surveyor do survey work in the Northwest Territories or in the Yukon?

Mr. Prudham: No; it is required to be done by a dominion land surveyor under the act.

Mr. Pearkes: Does the same board of examiners conduct examinations for hydrographic surveyors?

Mr. Prudham: No; they conduct examinations for the topographical surveyors. The hydrographic surveys do not come under dominion land surveyors. They have a different type of work. I am not sure that there is any association that controls their standards other than our department. We do all the hydrographic work, and the work has to be up to the high standards that have been set by tradition. We inherited that from the British navy originally and we still use some of their old charts and we endeavour to keep up the high standards; but I am not able to say whether there is any examination for hydrographers. I can get that information in about two minutes by referring to the official gallery.

Mr. Johnston (Bow River): I have a question more for the purpose of obtaining information than anything else. Do the engineers in the minister's department do work other than surveying in the national parks? What I have in mind is this. Do they do the surveying and the engineering for the location of bridges in the national park? Do they do soil testing and that sort of thing having to do with putting a bridge in a certain place?

Mr. Prudham: No.

Mr. Johnston (Bow River): That would come under the Department of Public Works?

Mr. Prudham: Public works.

Mr. Herridge: I have one question, for information, naturally. Are there many land surveyors in private practice who want to qualify as dominion land surveyors?

Mr. Prudham: Oh, yes. I think the best evidence of that is the number of candidates we have every year. While we have only 18 or 20 on our own staff, we have had over 115 trying the examinations. That does not mean they all pass. It is rather a stiff examination, but I think I can get that information if my hon. friend is really interested in the number who qualify each year. I shall get that information and send it to him.

Mr. Herridge: What is the probable advantage to a land surveyor in private practice in obtaining his dominion land surveyor's certificate?

Mr. Prudham: Well, as I understand it, there is only one university in Canada that gives a diploma in surveying.

Mr. Green: Which one is that?

Mr. Prudham: Laval. My colleague, the Minister of Public Works, disputes that. That

is my information. A dominion land surveyor certificate is a high attainment in the surveying field in Canada, and many people naturally aspire to that qualification. It enables them to go into private practice. It is the highest standard they can reach in that particular line. Many people start in our surveys in the summer time and work as part-time employees to earn money to continue their courses in universities. Right on the ground they learn the elementary principles and become interested and decide to carry on and get their certificates. I think that is the main inducement.

Mr. Green: Can a dominion land surveyor practise in any of the provinces without obtaining qualification as a provincial land surveyor also?

Mr. Prudham: No; he has to take out his provincial certificate also.

Resolution reported and concurred in.

Mr. Prudham thereupon moved for leave to introduce Bill No. 254, to amend the Canada Lands Surveys Act.

Motion agreed to and bill read the first time.

HOUSING

PROVISION FOR CONTRIBUTIONS TO MUNICIPALITIES, HOME LOANS, HOUSING RESEARCH, ETC.

Hon. Robert H. Winters (Minister of Public Works) moved the second reading of Bill No. 215, to amend the National Housing Act, 1954.

He said: Mr. Speaker, the purpose of the bill before the House is to effect several important amendments to the National Housing Act, 1954. Before dealing with the principles of these amendments it might be helpful if I first made some remarks which would put these legislative changes into the broad perspective of the whole housing situation in Canada.

Governments at all levels are inescapably involved in housing because of its social implications and because housing is an integral part of our whole economic growth. The government of Canada has played an active part in housing affairs since the introduction of the Dominion Housing Act in 1935 and particularly since the introduction of the National Housing Act of 1944 and the establishment of Central Mortgage and Housing Corporation in 1946. In aiding the production of housing we have been guided by the principle that it is appropriate for the government to stimulate housebuilding and to fill certain needs that could not be met in the ordinary housing market, but that government should not assume responsibilities which could effectively be borne by private enterprise. We have also had in mind that there are certain aspects of housing affairs which are properly the concern of the national government while other matters are constitutionally the responsibility of other governments.

The aid offered by the federal government has been essentially of two kinds. Indirect aid to enlarge the housing market has been achieved by the government's sharing in mortgage loans up to 1954 and subsequently by insuring mortgage loans offered by lending institutions and banks. Direct governmental aid has taken several forms, for example housing was built for the families of veterans during the post-war emergency and, in the present period, low rental housing is constructed by the federal government in partnership with provincial governments. At the present time about half of all the housing being built in Canada is aided by the national government, either directly or indirectly.

In the last ten years Canada has accomplished a gigantic task in housing its expanding population and in reducing the pressures on our housing accommodation. This year we will celebrate the building of the millionth post-war house. From one end of the country to the other, every city and town has been transformed by the growth of new suburbs on their fringes. Nearly three million Canadians live in these new suburbs with their new shopping centres and schools and churches.

Before the war housebuilding had proceeded at the rate of about 38,000 units annually. Now more than 100,000 families are moving into new homes each year. In 1955 housing production reached the new record of 127,000 completions. This great acceleration of building has been accomplished through the enterprise of housebuilders and through the productive capacity of the industries which supply building materials. More than 300,000 workers are now employed upon the production of building materials and on the building of houses. In these past ten years more than $8 billions has been invested in housebuilding by Canadian financial institutions, our insurance companies, banks, loan and trust companies, together with the personal savings of a multitude of individual home owners.

While many different kinds of housing have been built, both for sale and for rent, the Canadian people have shown an unmistakable preference for the single detached house as a place in which to spend leisure time and to raise a family. We are fortunate that the earning power and the productive capacity of the nation have enabled so many to realize

this desire to own a house and a plot of land. About 70 per cent of new housing has been in the form of home ownership.

The typical new suburban home has about 1,000 square feet of living space, usually all on one floor level, and a place for the family car. Since this normally requires a 50-foot lot, our modern suburbs now accommodate no more than four families to an acre. This demand for living space has placed a severe strain upon the whole structure of local government. The suburbs have spread far beyond the boundaries of central cities and so the task of providing streets and sanitary services and schools has been imposed upon municipalities that, in many instances, had little previous experience and few resources for this purpose. In many of these areas community planning had not been completed in advance of the tide of suburban growth. It is not surprising, therefore, that some new suburbs lack the quality of good design which might have been achieved if our cities had grown at a more leisurely pace.

Mr. Speaker, the National Housing Act is a comprehensive and flexible piece of legislation. From time to time parliament has approved new measures and amendments to meet fresh and changing situations. One of the most important changes was made in 1954 when the system of loan insurance was introduced into the act.

The most important function of the national legislation has been to encourage a steady flow of mortgage funds. Until 1954 this was largely accomplished through the joint loan system by which the federal government provided 25 per cent of the amount of each loan, the balance being provided by a lending institution. Under the 1954 act the federal government no longer contributes a share of the loan but insures the lender against loss. With this measure of protection the chartered banks and Quebec savings banks entered the mortgage loan field for the first time. By this means there were made available for investment in housing the savings of the Canadian people.

From the borrowers' point of view, the participation of the banks has had a value beyond the absolute increase in the quantity of mortgage funds. The extensive branch system of the banks has added about 4,000 new points where a borrower can seek a house loan. Many of these branches are in areas where there were previously no private sources of loans under the act.

The 1954 act also aided borrowers by extending the period of amortization and raising the amount of the loan.

The new act came into operation in March 1954. From that time to the end of 1955 nearly 90,000 National Housing Act loans were committed for the construction of more than 103,000 housing units. The total value of these loans was more than $977 million, of which the banks loaned more than $472 million for the building of more than 50,000 units. The insurance companies and other lending institutions continued to play their traditional important role and accounted for 53,000 units with loans totalling $500 millions.

In 1954 there were about 97,000 housing starts in urban areas and in 1955 the urban starts were close to 107,000. Most of this increase in numbers took place through the National Housing Act and is attributable to the mortgage investments of the banks.

Another evidence of the benefits of the 1954 act is the decline in the number of occasions on which Central Mortgage and Housing Corporation has been called upon to make direct loans. It has been our policy that where private lending arrangements are not available, borrowers could enjoy the benefits of the National Housing Act by direct access to Central Mortgage and Housing Corporation. In 1953 the corporation made loans of this kind for nearly 3,400 housing units, but in the two years since the new act came into effect a total of only 1,200 units have had to be financed in this way.

The principal result of the housing activities aided by the national housing acts is to be seen in the new suburbs of our cities where so many families have been able to acquire homes. There is another aspect of our housing affairs, however, to which we should now, I believe, give greater attention. While the suburbs have been spreading into the surrounding countryside, many changes have overtaken the existing housing in the interiors of cities. In old residential districts some houses have been replaced by apartment buildings and many have been converted to boarding houses and other uses. From a whole century of house building Canadian cities have inherited a stock of housing which is caught in the relentless process of deterioration and obsolescence. The growth of cities has placed new demands upon the hearts of urban areas, with increasing traffic, growing commerce and a changed pattern of living. But during the last 10 years the prior need to build new suburbs did not permit any concerted action to conserve and replace the existing stock of the nation's housing.

There are now more than 3·8 million housing units in Canada. Two-thirds of these are more than 25 years old, more than half a million are more than 50 years old, and about 10 per cent of all our housing is more than 75 years old. This used housing

which shelters the majority of our population is an important part of our national wealth. Unfortunately it is a form of wealth which does not improve with age and use. The stock of housing must inevitably decline in physical condition and usefulness unless there are effective measures of conservation and unless steps are taken to replace what is obsolete in our housing inventory. The last census showed that in our major cities alone there are as many as 100,000 housing units which are in a serious state of disrepair and which lack reasonable sanitary arrangements for healthy living. The residential districts of every city are in a process of decline. In most cities there are areas where deterioration has reached a condition that can only be rectified by complete redevelopment.

For the conservation and rehabilitation of housing, home improvement loans are available so that individual houses may be kept up to date and adapted to new uses. Where more drastic measures are required there are provisions in the National Housing Act to aid cities in the redevelopment of blighted districts. Since the legislation of 1944, grants have been offered to municipalities which acquire and clear substandard areas. To rehouse families living in those areas, loans have been available to limited dividend corporations and the federal government has been ready to go into partnership with provincial governments to build low rental housing.

The bill now before you is largely concerned with the redevelopment and conservation provisions of our legislation. The amendments to the act are designed further to encourage redevelopment and to give more strength to the renewal of the older parts of our cities, both through public action and through private enterprise.

The initial difficulty in the redevelopment of blighted areas is, of course, the high cost of land. In any city the oldest and poorest housing is mostly to be found close to the city's commercial and industrial centre where land has acquired a relatively high value. To meet this difficulty the present legislation provides that the federal government may make grants to municipalities up to 50 per cent of the estimated costs of acquisition and clearance, after taking into account any payment to be received in the disposal of the land. At present these grants are available only when the cleared land is to be used for a public purpose or for housing, either through sale to a limited dividend corporation or a life insurance company, or through the transfer of the land to a federal-provincial partnership. It is through these arrangements that the city of Toronto undertook the acquisition and clearance of land for the Regent Park North project, and now proposes to acquire land for the Regent Park South project where housing may be built by federal-provincial partnership. Also St. John's, Newfoundland, has undertaken a project of slum clearance and rehousing under the act.

The simplest and most direct action in redevelopment is to clear an area of poor housing and to build new low rental housing on the same site. No doubt there are many places where this would be quite appropriate. However, there may be more appropriate uses for these sites. In some cases the process of blight has in fact occurred because commerce and industry have already invaded a residential area or because the neighbourhood has been disturbed by the heavy flow of traffic in and out of the central district. In these instances the land might properly be devoted to commercial or industrial purposes and perhaps some part of the land could be used to aid in the solution of the city's traffic problems. If the cleared land can be replanned and sold at a reasonable price for such purposes, the present residents might be rehoused elsewhere, both more economically and in a more suitable location. We cannot assume that expensive central area land is always the most logical place to house low income families. The use of such high cost land may make it necessary to house families at a high density or without adequate open space.

On the other hand, the reverse situation may occur. There may be occasion to convert non-residential land to housing purposes. Some cities have blighted areas of underdeveloped land of miscellaneous uses, including but a small proportion of housing. The location of such land might make it eminently suitable for housing purposes.

It is proposed to amend the act in recognition that urban redevelopment should be part of the continuous process of growth and change in urban land. Cities do not grow only by additions at their outer margins; central areas must also grow in their internal proportions and land uses. This view of urban redevelopment, as a vital part of a community's growth and regrowth, has led us to the conclusion that private enterprise might in some instances appropriately join with governments in bringing new life into the older and blighted areas of our cities, helping to restore them to a sound, productive place in a city's economy. We propose, therefore, that the federal government's aid to municipalities should not be applied exclusively to the redevelopment of sites for low rental and moderate rental housing.

I need hardly add that, since we are dealing here with housing legislation, this federal aid to municipalities would be available only for urban redevelopment projects which would have the primary objective of improving housing conditions, either through the elimination of poor housing or the provision of new housing. As part of the agreement between the government and a municipality, arrangements would be made for the adequate re-housing of all families living on a redevelopment site, so that no hardship could occur. In fact there would probably be few cases in which the clearance of blighted areas would not be accompanied by the building of some low rental public housing, either on the same site or elsewhere.

There can be no simple formula for redevelopment that can be applied to all the variety of circumstances in our cities,—each unique in its history, topography and local character. Each city must make its own plans in the light of its own special problems and ambitions. The federal government's aid must be flexible in its application to a variety of situations. There are, however, two principles that may well have universal application.

First is the principle that land should generally be redeveloped for its highest and best use. If the value of blighted land can be realized through sales for commercial or industrial use, in conformity with the city's official plan and with satisfactory arrangements for rehousing the present residents, then the local and federal taxpayers should not be expected to subsidize land costs for a lesser economic use.

It may sometimes be appropriate to use blighted land near the centre of a city for private residential construction to house those who work in the city's business centre; this might well be regarded as a higher and better use than public low rental housing. Redevelopment should have the effect of converting land to its most effective function within the changing organic plan of the city.

The second principle is that redevelopment is not likely to be effective unless areas of substantial size are acquired and replanned, so as to establish a new neighbourhood character. The original lot subdivision in a blighted area is unlikely to be suitable for new residential or commercial building. Traffic considerations are likely to demand changes in the street plan. It should be the purpose of redevelopment to revitalize the city by converting interior parts to a form as up to date as the new suburbs. A municipality will usually have to exercise its powers of expropriation to acquire sufficiently large tracts of land and to round out workable sites.

The federal government would not enter into agreements with municipalities for redevelopment aids unless it was clear that the redevelopment proposal was in harmony with an official community plan. The government would be particularly encouraged to give aid to municipalities which had instituted a farsighted and systematic process for conserving the condition of residential areas and preventing the spread of blight.

The amendments to the act introduce a new form of financial aid to municipalities to assist in carrying out this more dynamic policy of urban redevelopment. At present the federal redevelopment grant is a fixed sum, calculated on the final cost of acquiring, clearing and disposing of the land. The grant represents half the expenditure that would otherwise be borne by the municipality. It is now proposed that the federal government would make contributions towards a municipality's costs of acquiring blighted areas, at the time of acquisition, on a dollar for dollar basis. Agreements with municipalities would provide that all or part of the cleared land would be sold, leased or otherwise disposed of. The federal government would share proportionately with the municipality in the proceeds of the ultimate disposition of the land. In this way the bill provides for the return of public funds where redeveloped land is turned over to private ownership. It cannot be assumed, of course, that there will be an immediate market for the sale of cleared land. In an interim period arrangements might be made for leasing, with the municipality and federal government sharing the revenue. The legislation would entitle the federal government to enter into the arrangement that would be most beneficial to itself and to the municipality.

I need hardly point out that the federal legislation can only remove some of the road blocks in the path of redevelopment. It is not in our power to take direct action. The initiative must remain with municipalities. Furthermore we would not enter into agreements with municipalities except with the approval of provincial governments. No doubt it will be necessary for provinces to grant to municipalities further discretion in the use of redeveloped land in order that they may enjoy the benefits of the proposed legislation. There is, of course, full opportunity for provinces to share with the federal and municipal governments in the costs of redevelopment.

Redevelopment is never likely to be an easy process. Local governments cannot disturb the owners of private property without careful preparations and sincere examination of the benefits which would accrue to the community. A period of intensive study is

therefore required before any redevelopment actions can be taken. Already several Canadian cities have undertaken such studies, or are now making arrangements to do so. The city of Toronto is now carrying out an intensive examination of its older residential areas through an arrangement between the federal, provincial and city governments. Requests have quite recently been received from four other major cities for aid in conducting such studies. For this reason we are proposing an amendment to part V of the National Housing Act. This part contains the authority for Central Mortgage and Housing Corporation to provide financial assistance in studying housing conditions and the proposed change would clarify the present authority for making grants to municipalities to aid local investigations of housing conditions.

With increased interest in these activities we are also proposing that parliament should be kept more closely informed of the expenditures that are made under part V of the act for community planning and research. Central Mortgage and Housing Corporation is authorized to conduct, encourage and assist investigations into housing conditions and for sponsoring programs of research, education and technical development which may improve the planning and design of housing in Canada. The act now provides that for these purposes cumulative expenditures up to $5 million may be made from the consolidated revenue fund. The amendment will provide that from time to time parliament will be informed of the work that has been accomplished and will be asked to vote sums of money which will restore the corporation's authority for such expenditures.

Now I would turn for a moment to home improvement loans. While provision for such loans was in the federal legislation prior to the enactment of the 1954 act, it was not fully operative until February 1, 1955. Under this part of the act, that is, part IV, Central Mortgage and Housing Corporation gives to a bank a guarantee against loss as the result of a loan made for the purpose of improving or extending a home. At present a loan may not exceed $2,500 for improvements to a single house, and $1,250 for each additional housing unit in the building. It is proposed by the new legislation to increase these amounts to $4,000 for a single house, and $1,500 for each additional housing unit in the building.

From the first of February 1955 to the end of the year, loans totalling $27 million were made by banks under this part of the act, the average loan being $1,250. Twenty-four thousand houses were involved.

Under the same part of the act, so-called "home extension" loans can be made and guaranteed. It is proposed to discontinue the provision in this part of the act; or more accurately I might say it is proposed to discontinue the terminology, because under part I of the act there is already provision made for insured loans for the purpose of effecting improvements to existing residential structures which will result in the addition of self-contained housing units. Such a loan may be for a greater amount than that allowed under part IV, secured by a mortgage and amortized over a longer period of time. We do not think it necessary or desirable that provision relating to this type of loan should be in part I as well as in part IV.

Under the revised legislation the fact that improvements result in the creation of a self-contained unit in an existing house will not make the loan ineligible as a home improvement loan. The present limitation of $2,500 for the first unit and $1,250 for each additional unit was established in 1949. The proposed increases to $4,000 and $1,500 will, I believe, permit home owners to undertake the extensive improvements required to modernize older houses and to increase space in others. This is in keeping with our policy of providing measures to assist in arresting the deterioration of older houses and improving them where feasible. The present five-year term of amortization of the loan is being extended so that, if borrower and lender agree, it may be as long as ten years.

Mr. Speaker, the bill contains a few minor amendments to the National Housing Act which are introduced to clarify the administrative procedures of Central Mortgage and Housing Corporation. I do not think it necessary to refer to these, since no important questions of principle are involved.

In conclusion I would like to remind you that this year marks the completion of a ten-year period during which the national housing legislation has been administered by Central Mortgage and Housing Corporation. In administering the policies determined by parliament the corporation has played a great and valuable role in its relationships with the housebuilding industry and with the financial institutions which invest in housing. Allowing for the differences of opinion that must arise in the normal conduct of a business so varied and widespread in character, I think I can report that these relationships have been continually harmonious and constructive.

I wish to use this occasion to pay tribute to the splendid work of the housebuilders, in our large cities and small towns, who have made this past decade a period of tremendous

progress in housing. There now lies ahead of us a period of even greater growth of Canadian cities and towns. In this growth and redevelopment our national legislation will undoubtedly be a major factor.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, three days ago at the resolution stage preceding the introduction of the present bill we had an opportunity of debating housing in general. As far as I am concerned, the debate that was held on Monday affords me an opportunity of making my remarks today rather briefer.

The minister has stated that the bill which he has submitted contains several important amendments. I think I may say at once, Mr. Speaker, that the bill contains no great surprises. While I am not going to discount the importance of any amendment in relation to a subject as important for all the people of Canada as is housing, I do not think it could be said that the changes made in the act are in any respect of a major character. Certainly they are not major when viewed in the light of the kind of changes that were made in the scheme of the act two years ago. There are some changes that come in the category of normal revision in the light of needs that arise in the administration of any measure. There are some provisions that are designed to make other existing provisions of the act more flexible and more useful, particularly in relation to such important matters as urban redevelopment. Then with respect to all of the various parts of the act there is an increase in the amounts of money made available.

Last Monday I made some comments of a general nature with regard to the type of amendment that was indicated in the minister's statement on the resolution. I said that the house has never at any time taken a penny-pinching attitude toward any measure that promised any alleviation of our housing problem or contribution to its solution. I think that will be the attitude the house will take with respect to the present bill. Moreover, any measure that will make the provisions of the act more flexible will, I think, command sympathy on the part of the house. It is not easy for the parliament of a nation that extends across a continent to make legislative provision to meet every possible situation with regard to a subject as important, intimate and varied as is housing. Consequently, the administration of any such measure plays an important role in the success or failure of the measure. We of Her Majesty's loyal opposition of course intend to support the bill. We intend to try to evaluate the bill. We shall look to those charged with the administration of the bill for the production of the kind of results that we think we are justified in expecting when we place such wide powers and such ample sums of money at their disposal.

Housing is going to continue to play a major role in the development of Canada. All of us take satisfaction in the volume of house construction last year and the year before; but it is well for us to remember the facts. While we applaud the fact that, as the minister said, this year there will be built in Canada the one millionth housing unit brought into existence since the war, let us not forget that we entered the post-war period with a substantial backlog of housing need and that with all that has been accomplished, particularly in recent times, we have on the whole just about met the new need of housing which has arisen since the war. Account must be taken of the increased population due to natural increase and to immigration. In this post-war period, with all the opportunities we have had, we have done little, if anything, more than keep abreast of the net family formation in Canada, with its resultant need of additional housing units. This is no time to be resting upon our oars or to be taking any smug attitude toward housing.

In the submission recently made by Central Mortgage and Housing Corporation to the Gordon royal commission investigating Canada's prospects for the next 25 years, the corporation has recognized the extent of the housing needs that must be met by new construction in the period of 25 years that lies before us. In its calculations the corporation has estimated that in that period—that is to say up until 1980—there will be an increase in our population of 10,500,000 persons. According to their estimate, the population will be 26,500,000 by 1980. It is estimated by the corporation that our urban housing stock must double within that 25-year period. In other words, it will be necessary to construct 3,400,000 new houses at an estimated cost or, as it is put, a possible cost of $35 billion. Further, according to their figures, it is estimated that prospective owners will provide $15 billion of this sum and that mortgage lenders will provide the balance of $20 billion. These are gigantic figures even for a country with a developing economy like Canada. In the face of needs of that kind that will require to be met in the period that lies before us within the lifetime of many hon. members of this house, let no man content himself with the thought that this problem has been disposed of or that the records of the past two years are going to do more than point the way and emphasize the necessity of maintaining a dynamic rate of home construction in the future. Canada needs housing.

It is well that we bear in mind at all times the fact that we rely principally upon private enterprise to meet the need of housing in Canada. The role assigned to government, as far as home ownership is concerned, is not an exclusive role by any means in the legislative mechanism for the construction of houses in Canada in the total scheme with which we concern ourselves in this house. It is well, sir, that we should not depend simply upon governmental auspices for the meeting of this need. On page 7 of the most recent statistical publication of Central Mortgage and Housing Corporation entitled, "Canadian Housing Statistics", for the fourth quarter of 1955, we are reminded that of the total housing starts in 1955 numbering 138,276, there were 68,593 being built without any form of government assistance. This is just about an even half of the total.

Again, in the matter of the provision of mortgages for home construction we do well to remind ourselves that we depend upon other sources than those directly associated with the National Housing Act for the provision of a very substantial amount of mortgage money to assist in home construction. On page 15 of the same statistical publication we see that in the year 1955, according to table 20, there was provided a total of mortgage loans of all kinds aggregating $1,170,712,000, and of that total loans on new non-farm residential construction aggregated $850 million. The conventional loans on other property aggregated $320 million, so there was still a very substantial volume of money going into mortgage investment to assist in financing home ownership with which N.H.A. had nothing to do.

The minister, in the very comprehensive and interesting statement which he read to the house today, has not dwelt on some of the factors which emerged in the course of our discussion during the resolution stage three days ago as factors that are impeding the results that had been hoped for as a result of the amendments introduced from time to time into our housing legislation, and particularly the amendments of 1954. I think I should say to the minister, and to the government, that we intend, so far as opportunity offers in this house, to keep these matters before the government and before the house. I believe their importance is undeniable.

For instance, the minister has not said anything today about the subject of family income and how it determines the rate and extent of lending under part I of the National Housing Act for the construction of houses for owner-occupancy. If we are to hope for a wide diffusion of the benefits of this legislation within the Canadian population there will have to be other measures taken than have yet been taken, in order to make the benefits of lending under part I of the act available to persons with modest incomes. I remind the house that the trend in the incomes of those who are qualifying for loans under part I of the act has been steadily upward. The new legislation of two years ago has not had the effect of reducing the average family income of those qualifying for these loans, or, in other words, of making the benefit of mortgage loans under part I of the act available to persons of lower average family income than those who qualified for them up until the amendments of 1954 came into effect. There is a very real problem, Mr. Speaker.

No one, I am sure, is going to advocate that people should embark upon home ownership or load themselves up with an intolerable burden of debt far beyond their means or their prospects to meet. But if the purpose assigned to part I of the National Housing Act has the validity assumed by all who supported it in this house two years ago, and that includes all parties, then we must find some more effective remedy than has yet been applied if the benefits of home ownership are going to be extended to persons of modest income. I remind the house that in 1953 the average family income of those who qualified for mortgage loans under part I of the act was $4,961. In 1954 that average had increased to $5,382. In 1955 that average had increased further to $5,447. It cannot be pretended therefore, Mr. Speaker, that this legislation, in seeking to make mortgage loans available under part I for the construction of new homes for owner occupancy, is making them available to persons of modest income. We just cannot make any such pretense.

Mr. Winters: May I ask the hon. member if he would be kind enough to tell me the first of the three figures he mentioned?

Mr. Fleming: For 1953?

Mr. Winters: There was one, 1949 was it?

Mr. Fleming: That was a figure for half of the year 1955, namely $5,447. I notice the figures are shaded down a little in the statistical publication to which I referred earlier, and which has just come out. I think they must be using a different basis of calculation than the one that was in use earlier, because the figures I have used were drawn from government sources. But whether or not there is some slight difference in the basis of calculation, the figures appearing in this most recent statistical issue of Central Mortgage and Housing Corporation illustrate the

same trend. In other words, the families who qualify must have larger incomes than a year ago, and they then had to be larger than the year before that. I think this must be a matter of general disappointment, and it is something that must not be overlooked by the government. It is something that, in my view, is going to require some form of redress. The bill now before us does not offer anything by way of redress to meet that particular problem.

The second matter about which no mention was made in the minister's statement today is the matter of interest. Now, the matter of interest affects government assistance of all kinds under all parts of the act. It is, I suppose, of particular concern to those individuals who are borrowing money on mortgages under part I of the act. The effect of an increase in interest rate necessarily is to make construction more expensive, to increase carrying charges, and to that extent to reduce the volume of home construction that would otherwise be attained.

Certainly the importance of the interest rate on the volume of home construction was recognized two years ago when the banking and commerce committee studied very intensively the provisions of the new act of 1954. For that very reason we questioned the numerous witnesses who appeared before us at no little length in regard to the outlook for increases or decreases in the effective rate of interest.

It is the declared hope of the government—indeed the minister reiterated it on Monday—that a high volume of house construction should be maintained; but at the very same time as it is professing that hope the government is participating in a policy of raising interest rates. Indeed, the government cannot escape its responsibility in this respect. In his reference to this subject on Monday the minister suggested that the increase in interest rates was simply the result of the interplay of the forces of supply and demand in the money market. Well, sir, it is a good deal more than that because, while last fall there may have been some slight diminution in the volume of mortgage money available for investment, there was nevertheless a very substantial volume of money available. But the Bank of Canada, which obviously does not act in these matters without regard for government policy—indeed, it acts in concert with government policy and is the fiscal agent through which government policy is implemented in such circumstances—introduced a series of increases in its discount rate. The first of those increases was introduced on August 5, when the Bank of Canada increased the bank rate from 1½ per cent to 2 per cent. On October 12 it increased it from 2 per cent to 2¼ per cent, and on November 18 from 2¼ per cent to 2¾ per cent.

There was a reference to this subject in the house this afternoon during the question period, and the Minister of Finance then sought apparently to give the impression that the part played by the Bank of Canada in bringing about an increase in the interest rates on commercial loans through the chartered banks and other loans such as mortgage loans was simply a result and not a cause. Well, if that is the view of the Minister of Finance it is high time he re-examined the facts, because the government did not wait for an increase in the interest rates on loans of all kinds to be brought about by the interplay of the forces of supply and demand in the money market. Rather, the fiscal agent of the government, acting in pursuance of government policy, chose to introduce a series of increases in its discount rate, which were followed, and were intended obviously to be followed, by increases in the interest rates charged by the chartered banks on commercial loans, and necessarily by increases in the interest on mortgage loans.

The government cannot escape responsibility. It may well be that if there had been no Bank of Canada, or if the Bank of Canada had taken no action of this kind, there would have been some increases in the rate of interest on loans. But, Mr. Speaker, let the government not pretend that it had no part in bringing about those increases in interest charges. The government had a part, and the increases initiated by the Bank of Canada were a cause. They were not the only cause, but they do not escape the quality of cause. They are not just effect, as the Minister of Finance sought to picture them today.

It is not the fault of the Minister of Public Works. I quite realize that he wishes to see a high volume of house construction maintained, but to the extent to which interest rates applicable upon loans under the various parts of the National Housing Act are increased the responsibility does rest upon the government, because to a substantial degree these increases are the result of government action taken through the Bank of Canada.

Let me be fair in saying that, sir. To the extent to which action of that kind is warranted to meet inflationary forces, then we shall want to look at it in equal scales and to weigh any measure that is taken for the professed object of restraining inflationary forces; but the government does not yet acknowledge that they have any serious problem of inflation. The Minister of Finance had amazingly little to say on that subject in his recent budget speech, and in anything

that has been said since. Therefore house construction in Canada is going to feel the effects of the increases in the interest rates.

I wish to say that the government ought to be fair, frank and honest with the house and say what it is that prompts them in looking at such inflationary forces as exist today to take those measures. If inflationary forces are present let them say so, and let them relate what measures they are taking to their objectives in meeting inflationary forces; but as long as they are going to go on commending the boom and saying precious little, if anything, about inflationary forces, then we shall continue to argue that increased interest rates are going to have the effect of reducing in some measure the construction of needed houses in Canada.

Sir, the effect of this increase in interest rates is going to make itself felt in relation to house construction in more ways than just by its direct effect in increasing the rates effective under the provisions of the act. It is having that very direct effect and it is going to have an even more acute effect in its bearing upon the ability of the municipalities to participate in the role assigned to them under the scheme of the National Housing Act in relation to house construction. I shall have a word to say about that in relation to the next subject which, it seems to me, has not been adequately recognized in the remarks by the minister today. It is the financial problem of the municipalities.

It is true that today the minister at least recognized the existence of what he called a "severe strain on the structure of municipal government" which he intimated had been cast upon it in relation to housing needs. Well, sir, it is going to take more than a phrase of that kind to grapple effectively with a major bottleneck that is impeding the construction of houses in Canada today in volume adequate to meet need, particularly on the fringes of the urban areas. For bear in mind, sir, that while we are dealing with figures in the aggregate for all of Canada, we cannot average housing conditions over the whole of Canada or apply national statistics as such to local situations.

This is a problem that is very acute in its proportions in the great urban areas and on their fringes; and, sir, I say, as I affirmed in speaking on this matter on Tuesday, that we are not going to have an effective solution of the housing problem in those areas to which I have made special reference unless something is done to meet the financial problem of the municipalities concerned. That is not going to be met unless the federal government offers redress, because this is a problem beyond the revenue resources of the municipalities; this is a problem beyond the revenue resources of the provinces.

The proven inadequacy of the revenues of the local governments to meet their problems in relation to housing has been made more acute by reason of federal policy in relation to interest rates in recent times. Hon. members of the house by this time are aware of the statement made yesterday by Premier Frost of Ontario in relation to the effect upon provincial financial problems and municipal financial problems of the increase in the interest rate brought about by decision of the federal government and implemented through action taken by the Bank of Canada. The *Globe and Mail* of this morning, reporting his speech following a conference with representatives of metropolitan Toronto, contains the following:

> The Canadian economy is being jeopardized because of federal government tinkering with interest rates, Premier Frost charged yesterday.

And further:

> Almost all of Ontario's 1,000 municipalities, and the province itself, are in the same position, the premier declared, and the situation has only been aggravated by money becoming more difficult and expensive to borrow because of federal action.

Let no one within the federal government pretend that they can escape responsibility for the increasing gravity of the financial problems of the municipalities. While this financial problem of the municipalities has wider connotations and ramifications than those brought about in the housing field, nevertheless it is bound to be felt in very acute form in relation to the need of housing. Therefore I say that the responsibility in relation to this problem is going to be laid where it belongs, that is on the doorstep, or, if you please, on the shoulders of the federal government.

It is an unchallengeable fact that the municipal financial problem in Canada today, which affects municipalities in this country by the thousands, cannot be met without effective federal action to assist them in enlarging sources of revenue or relieving them of some burden of responsibility now cast upon them.

The fourth matter that was commented upon on Monday, and which it seems to me the minister has not adequately answered, dealt with the administrative side. The great and lamentable delays that have occurred have resulted in the loss of precious time. I urge again upon the minister with all the earnestness at my command that he put behind this housing legislation and behind Central Mortgage and Housing Corporation as the agent of the government all the drive of which he is capable. We may as well save our breath and not spend time passing

legislation unless there is going to be put behind the administration of such legislation such drive as we have not had hitherto.

On Monday I pointed to some of the cases in my own city of Toronto where delays, although not entirely attributable to the lack of action on the part of Central Mortgage and Housing Corporation, showed quite clearly that a substantial measure of responsibility does rest on Central Mortgage and Housing Corporation. This relates very directly to the subject which I have no doubt occupies a principal place in the thinking of hon. members in regard to the measure now under discussion. I refer to the hope of more rapid action in slum clearance in Canada.

I hope there is not an hon. member in this chamber who is going to pretend that we have no slums in Canada today. If any hon. member thinks there are no slums in Canada today he has not visited areas of our substantial urban centres. Today the minister did review some of the things that are needed in relation to the development of municipal plans and programs in regard to slum clearance. Obviously there must be on the part of municipalities a substantial measure of concern reflecting itself in municipal initiative in connection with these matters. We agree with that; but in my humble submission it is folly to talk about the initiative that rests upon the municipalities in connection with these matters if the municipalities are going to be hamstrung in the matter of revenues. What is the use of talking about municipal initiative in relation to the clearing of slums in our urban centres if the municipalities concerned are denied adequate revenues for those purposes?

The great difficulty and the great drawback about the National Housing Act in relation to slum clearance is that nothing can be done without co-operative action on the part of all three levels of government concerned. It takes only one level of government dragging its feet in these matters to thwart any hope of effective action in regard to slum clearance in any particular place. When you try to get three governments together, when you have to bring them on common ground, not only in regard to the purpose of slum clearance in an area but in agreement on the many details which enter into plans for slum clearance, then you have a problem indeed to begin with.

No one in this house is so innocent as to believe that where action on slum clearance depends upon co-operative and concomitant action on the part of three levels of government, you are going to have any great measure of speed in dealing with them. But if the federal government is going to continue to say, as the minister said today, that any attempt to grapple with the problem of slum clearance or redevelopment in our urban areas depends upon municipal initiative then it is high time the government said at the same time that it is going to make it possible for the municipalities to take the initiative by seeing that they shall have adequate sources of revenue for the purpose, which they have not today.

In the meantime, as long as these delays continue we are going to be witnessing the same things that have existed since there have been slums; that is, human decay, moral, physical and mental. Every hon. member of this house has a responsibility in relation to taking measures about slum clearance. It is not enough that we should attempt to hide behind any choice coined expression about "municipal initiative". If the present legislation is inadequate for the purpose, and I think it has shown itself to be, then something better must be devised.

We welcome the changes that are proposed to be introduced into the National Housing Act by the present bill. I commend the changes that are introduced with respect to the slum clearance provisions of the act. Anything that offers any contribution at all toward this problem on a sound basis is bound to command the sympathy and, I trust, the support of the house. Greater flexibility in these provisions is afforded by the present bill, and to this extent it is altogether commendable; but even with these changes we have not yet discharged our full responsibility in relation to slum clearance and in relation to the cost in humanity as well as in dollars and cents that characterizes the existence of slums.

I made some reference on Monday to the benefits that have been achieved through slum clearance in the Regent Park North project in Toronto. Other benefits have flowed from that project than simply improvement in housing conditions. There are those secondary benefits that have been achieved and that are noteworthy and praiseworthy; the reduction in health, police and other municipal expenses. These are net savings that are afforded as the result of slum clearance and redevelopment.

The minister struck today a note that will, I think, be echoed throughout the house, when he indicated that our plans for slum clearance ought to be viewed as part of a general municipal planning program. The areas it is sought to redevelop cannot be detached or isolated from the rest of the city; they should be seen as part of a well integrated municipal program. But I still say that we have to do

much more in view of the extent to which measures of this kind await the exercise of municipal initiative.

Therefore I say in conclusion that while all members of the house will cheer the extent to which the home builders of this country have achieved records within the last couple of years, we find it necessary to warn the government that this is not the time to be smug; this is not the time to rest upon our oars; we are far from having solved the housing problems of this country. Demand is keeping up with supply, even at the increased rate of construction. In the statistical study I mentioned earlier, Canadian Housing Statistics for the fourth quarter of 1955, issued by the Central Mortgage and Housing Corporation, we find on page 5 this statement:

> The demand for new dwellings kept pace with the supply.

That was a record supply; yet demand kept pace with it. A tremendous volume of home construction is going to be required in the years ahead of us to keep pace with the increase in the Canadian population and the development of the Canadian economy. Let us never regard this as a problem that admits of a static approach. What is required on the part of all levels of government, and not least of all on the part of the federal government, as we must make it our business to remind them, is a dynamic approach to a challenging national problem.

Mr. Claude Ellis (Regina City): In the resolution stage the problem as we see it was set forth, and it was suggested that in studying the bill we would have to judge it in the light of its ability to meet the situation in Canada in so far as housing is concerned. I must say that, whilst there are commendable features in the legislation, the government has not indicated through this bill that it is taking the type of action which present conditions warrant.

I note that when the original National Housing Act was passed it was in its broad outlines an act to promote the construction of new houses, the repair and modernization of existing houses, and the improvement of housing and living conditions. Since the time the first act was passed it has been possible for us to look at the situation in Canada and determine the effectiveness of the National Housing Act in dealing with Canada's housing problem.

First of all we have to consider that there are two aspects of the housing problem, as we might describe it. First there is the question of meeting the demand for new houses, that is, the aspect of constructing houses. Second there is the housing problem in so far as health standards are concerned, that is, the removal of obsolescent houses and houses that do not measure up to community health standards.

I think the minister on a number of occasions has taken considerable pride in the fact that there has been stepped-up activity in home construction during the past year. He referred on Monday last to the number of starts made last year, and suggested that we are now making inroads into the backlog of housing, but in making that statement he is, of course, very conveniently overlooking vast areas of Canada's housing needs which have not been touched up to the present time. I asked him a question with regard to the government policy, as to whether the government felt that the way to solve the housing needs of people of low income is to build more expensive houses and let the people on low incomes take the hand-me-down dwellings. The minister suggested that it was not government policy to provide a new house for everybody in Canada.

I believe the minister has made a number of references to demands of members in this group that we undertake a large-scale housing program in Canada. He has suggested that we are impractical, that we are being too idealistic, but I want to remind the minister that there have been many authorities in this and other countries who, upon examination of the housing problem, have made suggestions quite similar. As a matter of fact the white paper on housing in Great Britain in March of 1945—and I suggest that these people were not being too impractical—set out three objectives in their housing policy. It said:

> The government's first objective is to afford a separate dwelling for every family which desires to have one. For this purpose it is estimated that some three quarters of a million dwellings are needed.
>
> The second objective is to provide for the rapid completion of the slum clearance and overcrowding programs which were already in course of execution before the war. To remove houses already condemned as unfit and to abate overcrowding condemned since 1935, a further half million houses are needed.
>
> The long-term objective of the government is to secure a progressive improvement in the conditions of housing in respect both of standards of accommodation and of equipment, and to attain this objective by a continuous program of new building. This continuous program must include provision year by year for any increase in the number of separate families, the needs which arise out of redistribution of the population, and the replacement of obsolescent houses.

We have been urging upon the minister a policy much in line with the United Kingdom white paper on housing issued in 1945. We need not go to Britain. One need only consider remarks by members of this government

at the conclusion of world war II. The Minister of Trade and Commerce (Mr. Howe) had something to say on this subject. He said:

> Adequate housing for the Canadian people is one of the major tasks before us. The utmost effort will be directed towards meeting this need and the resources of the country will be used to this end . . .

I do not feel it is necessary to read all of what he said, but there is a very pertinent sentence further on which reads as follows:

> We believe that houses should be constructed commensurate with the high standard of living at which we are aiming.

There is the Minister of Trade and Commerce suggesting the very thing in 1945 that we are saying today. There is nothing inconsistent in our desire for adequate housing in this country; and when the suggestion is made that there is a lack of reality in a policy which aims at adequate housing for Canadian citizens it seems to me that the government has come a long way downward since 1945. The Minister of Trade and Commerce went on to say:

> This will involve new houses for families with low income who cannot afford to pay economic rentals.

That is the Minister of Trade and Commerce speaking in 1945. In an article appearing in *Public Affairs* of October, 1947, the Minister of Trade and Commerce had this to say along the same line:

> The dominion government recognizes the need of adequate housing as Canada's most pressing social problem and one of the most serious of all public problems.

Further on he points out:

> In the absence of agreement on dominion-provincial relations made at that time, the provisions made in the National Housing Act, 1944, respecting low rent housing, subsidization of such housing and slum clearance have been allowed to stand unchanged. The hard core of the problem, low rent housing, has been barely touched.

These are the words of the Minister of Trade and Commerce. Here was the broad objective of the government. It was to be the aim of the National Housing Act to accomplish certain purposes. Oh, what a change has taken place in the government thinking since that time. Of course it is like a lot of other things. In 1945 we had other commitments and promises made by members of the government. We were going to have a health scheme. We were going to have provisions for full employment. A great many things were promised the Canadian people at that time, but apparently housing and many of these other worth-while and forward-looking proposals made by the federal government at that time have fallen by the wayside.

They were made at a time when I believe the government were a little leery. They had lost a number of by-elections and had not fared too well at the polls. I think perhaps the political situation at the time, certainly the political climate of the country, more or less thrust upon the government the importance of at least making a stab at promising worth-while policies. The Minister of Public Works makes light of the suggestion that after all it is not beyond the realm of possibility to have a housing program that will provide homes for Canadian citizens. I say that the government has certainly changed its attitude on this matter within recent years. I suggest that the minister and the other members of the government should go back over the statements made a few years ago and reconsider their present stand on many of these matters.

The legislation now brought forward will, as the hon. member for Eglinton pointed out, accomplish some useful purpose so far as it goes, but we are faced with the same old problem. Here is a job which needs to be done. However, the government will just go so far, and judging from past performances with respect to legislation we have not here the type of legislation we should have.

At the outset I said there were two aspects to the housing problem, the question of construction and the question of the replacement of dwellings which are unfit for human habitation. What has been done? The minister boasts of the number of starts and the number of completions last year. All right; we will grant that the Canadian construction industry had a banner year and that so far as those who are in the market to buy houses are concerned a great deal was accomplished last year. But the central problem which we have to come back to time and time again has not been faced up to, the question of the provision of housing for the people in Canada—and they constitute a great mass of our population—who are on incomes which will not permit them to purchase homes under part I of the National Housing Act.

This has been brought to the attention of the government a number of times. It has been pointed out that under part I of the National Housing Act there is no chance whatever for a vast number of Canadian citizens who are working steadily, have more or less permanent employment, but whose earnings are not sufficiently high, to purchase a home under the act. I suggest that the minister owes it to members of the house to state the position of the government in this matter. Does he feel that the government has no responsibility toward people on low incomes?

Does he feel that no effort should be put forth to provide home ownership for that group?

Of course, the minister will immediately say, what about section 16, what about section 36 of the National Housing Act? He will say that provision has been made there but, as the hon. member for Eglinton has pointed out, the initiative is placed on municipalities which are already overburdened. It is like a great many other things. We had a discussion last year on the grade crossing legislation, and the same situation obtained there. It is all very well to say to a municipality, "Well, if you will come along and put up so much money we will accommodate you and put up a certain amount." If the municipality lacks the funds to do anything it means that the matter stands and nothing whatever is done. That is precisely what has happened.

I know that under section 16 a limited dividend company has built a certain number of suites in my own city, but perhaps the only reason those suites were built under that section is the fact that the limited dividend company had as a wholly-owned subsidiary a construction company. If it were not for the fact that they were also in the construction business they likely would not have built under section 16. I think the minister must agree that, admirable as he may feel the aim is, the results are far from satisfactory.

I had hoped that there would be substantial changes to enable municipalities to be better able to enter into agreements with the government for the purpose of providing low rental housing. Incidentally, I think the joint labour brief presented to the government by the two labour congresses, now the Canadian Labour Congress, pointed out the fact that the most admirable part of the National Housing Act was the one which, in their opinion, the government had played down. They said there was very little publicity given to those sections to which I have just referred, and that the government apparently was not going to be too much concerned if municipalities were not in a position to rush forward and take advantage of the provisions of the National Housing Act.

The situation simply is that the municipalities do not feel they are in a financial position to engage in the type of construction activity envisaged under those sections of the National Housing Act. I would say that we must try to sell this problem to our people. I mean that the need for new and more adequate housing is something we have to impress upon all our people, our provincial governments and our municipal governments. I want to be fair in that respect. But when you find, as you do in this country today, that the municipalities are overburdened and mill rates are skyrocketing, it is not likely under those circumstances that the municipalities will undertake the type of work which the government presumably expects they will undertake under this legislation.

It seems to me that Central Mortgage and Housing Corporation is quite well aware of this great lack in government policy. I should like to quote an extract from page 24 of a brief prepared by that organization. It is under the heading, "Needs of Low Income Households" and reads as follows:

> There are some kinds of housing requirements which are not satisfied through the normal operation of the housing market, either through the production of new housing or through handing down used housing. The need to provide housing for low income households, particularly large families and old people, is likely to call for special attention during the coming years.

I am convinced, Mr. Speaker, that the personnel of Central Mortgage and Housing Corporation are quite well aware of the problem. I think the difficulty is the unwillingness on the part of the government to permit them to do the type of job for which Central Mortgage and Housing Corporation was, I presume, originally created. Rather than enlarge the scope of their activities, there seems to be a tendency on the part of the government to curtail or to clip the activities of that government agency.

It seems to me that this trickling down process that was referred to in the joint labour brief to which I made some reference in a question to the minister on Monday last certainly fails to take into account the need for the replacement of houses which for reasons of public health should be replaced. In other words, it is all very well to say that if someone earning $4,500 a year builds a new house and he moves out of a cheaper house, that will enable somebody earning $3,500 to move into that house. Eventually you will get someone living in accommodation which is unfit for human habitation. While that procedure may, in the actual provision of dwellings—if we use that term very loosely—provide some sort of accommodation, it is not the type of accommodation we should tolerate in a modern community.

On Monday last I stressed the relationship between public health and other social problems such as juvenile delinquency and so forth and Canada's lack of an adequate housing program. In taking this callous attitude, and saying that the solution of the problem with respect to the housing needs of the low income people is to allow them to take the cheaper houses which are discarded by those in slightly higher income groups, I think the government is failing to meet the health needs of this nation.

It seems to me, Mr. Speaker, that the ultimate objective of the housing program has been set forth quite adequately in a book which I referred to the other day and which is entitled "Houses for Canadians" by Humphrey Carver. I understand that to this book which resulted from studies made in the field of housing, contributions were made by Central Mortgage and Housing Corporation, a department of the Ontario government, and the city of Toronto.

Mr. Winters: I gather the hon. member knows that Mr. Carver is an employee of Central Mortgage and Housing Corporation?

Mr. Ellis: Yes, I am quite aware of that fact. At page 123 in the chapter on "The Ultimate Housing Problem" we find this statement:

> The ultimate objective of the national housing program should be the provision of a decent dwelling for every Canadian family.

Mr. Speaker, that is what we have been saying throughout. I made that statement in the debate on the amendments to the National Housing Act in 1954. The statement was made the other day at the resolution stage. The minister seems to feel that we are being unrealistic, that we are asking for too much. We are asking for the type of policy which the minister's own advisers suggest as the ultimate objective. To continue with this statement:

> From this it follows that the crucial and ultimate test of the effectiveness of housing policy is the condition of the worst housed families in our communities.

I would pause at this moment to suggest to the minister that if he wants to apprise himself of the housing situation in Canada he should not be looking just at statistics of new housing starts, housing which ranges anywhere from $11,000 to perhaps $30,000 or $50,000 or even higher, but that he should take the advice of his advisers and judge the situation in Canada from the standpoint of the most poorly housed in this country. If he did that, I am quite sure there would not be on the part of the government the same smugness that is revealed at the present time. This statement continues:

> The task will not be completed until obsolete housing has been removed and every Canadian family has been given the opportunity to enjoy healthy and satisfying living conditions. It is a task which undoubtedly requires all the technical ingenuity and administrative skill which the Canadian people possess.

Of course the weakness in so far as government policy is concerned is this. Perhaps the Canadian people have the technical ingenuity and administrative skill, but unfortunately they have not the type of government which can channel that skill into the type of housing program that will satisfy the need.

As I suggested earlier, Mr. Speaker, the amendments in the proposed bill, as far as they go, are certainly worthy of support. But once again I say that if the government feel that this nibbling away at the problem or going as fast as they feel they will have to go in response to pressure is the answer to the housing problem, I think they are extremely shortsighted. I should like the minister to inform members of the house as to what is the ultimate policy of the government. The minister has told us that he does not believe that the provision of housing for every Canadian is a practical thing, or certainly is not government policy.

Mr. Winters: No, I did not say that.

Mr. Ellis: I should like the minister to give us an idea as to whether the government agrees with the ultimate objective as outlined in this book?

Mr. Winters: Why don't you read what I said in reply to you when the resolution was before the house?

Mr. Ellis: I have the reply at hand.

Mr. Winters: Read it.

Mr. Ellis: As recorded at page 3201 of *Hansard* we find this:

> Mr. Winters: I never did say that the government's policy was to provide a new house at once for every Canadian citizen.

Mr. Winters: Read the next statement.

Mr. Ellis: He continues:

> The Liberal government's policy is to provide adequate housing for everybody, and we are travelling just as rapidly as we can in that direction.

Some hon. Members: Hear, hear.

Mr. Ellis: We have had many indications of Liberal speed. If one were to make the statement that the Liberal government is travelling with equal speed in the provision of a national health plan, I suppose some hon. members opposite would applaud.

Mr. Winters: Tell me any other country in the world that is doing better.

An hon. Member: Half a dozen.

Mr. Ellis: Mr. Speaker, one could go into this matter quite fully and point to countries like Great Britain, which lost homes through bombing during the war years, and the policy there. They had a much more serious problem than that which we face in Canada. Our problem in Canada, apart from indecision and unwillingness by the government to do anything in former years, has been complicated only by a comparatively slight increase

in population. Populations have increased in many other countries which are facing housing needs.

I suggest that the minister might go back and read an article which I think was referred to in debate at the time the National Housing Act was passed in 1954. I believe it was written by Sidney Margolius. It was an article which appeared in *Maclean's* magazine and it gave a summary of housing activities in various countries, including Great Britain, the United States and a number of European countries. The conclusion the writer arrives at is that we have nothing to be proud about in our housing record. I cannot recall the exact heading of the article at the moment but it was quite indicative of the fact that, in his opinion, Canada was falling far behind other nations with respect to the provision of adequate housing.

Mr. Philpott: You are two or three years behind the times.

Mr. Ellis: I know the hon. member for Vancouver South (Mr. Philpott) is the leading government apologist in these matters.

Mr. Philpott: Show me a country that is building more houses per capita than we are. We are building more houses per capita than any other country in the world.

Mr. Ellis: If the hon. member thinks that is correct, then I suggest he can get up during this debate and put on the record his attitude toward this matter. He can tell us his side of the story. I am sure he will have to go a long way before he will be able to justify the lack of decision and apathy of the government toward the provision of houses. Again I say the crux of the problem is not merely one of construction. It is a question of getting rid of a great deal of obsolescent housing in this country.

I am not going to take the time, Mr. Speaker, but I could quote from this book references to minimum standards for house construction. I see a reference to materials being non-inflammable, and so forth. I have made reference to the disastrous loss of life, particularly of children, in fires, many of which are attributable in large measure to faulty construction. I know that a short while ago a summary of the findings of a coroner's inquest appeared in one of the Ottawa newspapers, which revealed that pressed paper had been used in the partitions of one house. Such a house would go up in flames in a matter of minutes and it would be almost impossible for anyone inside to escape. That is only one aspect of the problem.

If the minister or any supporter of the government feels proud of the government's record in so far as the removal of substandard housing in this country is concerned or the provision of the decent type of housing that is envisaged in this report, and I presume the type of housing to which the Minister of Trade and Commerce referred in 1945 and 1947, then I suggest they get up in the house and tell us just what the government has done to provide low rental housing for people on low incomes, and what the government has done or proposes to do now toward the elimination of slum areas from Canada.

Mr. Winters: Many members could do that.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to take too long in speaking on this matter on this occasion. I have dealt with it nearly every year since the National Housing Act has been in existence, and for many years before that. I have discussed the subject on every occasion on which it has come up in the house. I think the minister is well aware of some of the criticisms I have made.

I do want to say that since this minister has taken over these duties he has given a very attentive ear to some of the criticisms that have been levelled at him. I do say, too, he has not always been so antagonistic as some of the other ministers appear to be when suggestions are offered to him. I am sure that on many occasions he has investigated some of the complaints, and that as a result a better housing program is developing.

Certainly I can recall that when the housing program started after the war, and for a number of years following the conclusion of the war, there were undoubtedly poor types of houses built. But my purpose in speaking at this time is not to go back and review all those conditions. I do not think the government should be too complacent about the number of homes that have been started or the number that have been completed. I know the minister has told us how many starts there have been and that there were 127,000 completions. I think that is a fairly good record. I am not criticizing the government from that standpoint. I think there were 135,000 starts. I do not want to be critical of the government in any case in which it is not deserved. I only criticize them when criticism is justified.

While the 135,000 completions seem to be a very worth-while accomplishment, and as I said a moment ago it is, we should remember that even though there were that many completions last year it does not even begin to catch up with the backlog. According to the builder-contractor statement I put on the

record last year, and I am speaking from memory, our backlog amounted to about 250,000 a year.

Mr. Byrne: That is not correct.

Mr. Johnston (Bow River): You give the right figure then. I do hate these interjections on the part of individuals who cannot give the right figure in the place of the one you give. They just interrupt for the sake of interrupting. I heard a remark a while ago, Mr. Speaker, to the effect, "show me another country that is building the houses per capita that Canada is building". Such people seem to take some satisfaction in hiding behind the fact that some country like Britain that went through all the ravages of war, is not building as many houses as we are. They say look at Britain and then see what we have done. Yes, we were sitting here smugly, protected from the ravages of war.

I do not think that gives us much comfort. Perhaps we are doing better than they are, but the important question is, are we doing as well as we should be doing? I doubt if we are doing as well as we should on a national basis, when we are not keeping up with the backlog.

In his statement the minister gave us one instance when he said that half a million houses—I am subject to correction on this—were over 50 years old. Then he went on to tell us how many were over 75 years old. I am going to say to the minister, and I doubt if he will contradict me, that when a frame house is over 50 years old it has just about completed its service. Even the income tax department says it is depreciated in 20 years. They only allow depreciation for that length of time. Certainly when a frame house has lasted for 50 years it is time it was torn down. I am going to say that when it has lasted for 75 years, it is not fit for habitation. As long as we have houses of this type in this country, then we should not be sitting back complacently and saying see what we are doing compared with some of the other countries.

I think one of the greatest things with which we have to contend, as was indicated by the hon. member for Regina City a moment ago, is the construction of houses for these people in low income groups. I never have dwelt at any length in this house in arguing whether or not Central Mortgage and Housing Corporation, the lending companies or the government should make money available to people to build $20,000 or $30,000 homes. I think such people are well able to take care of themselves. In fact I do not believe a fellow needs too much assistance if he is going to build a $15,000 or $20,000 home. Such assistance is convenient, yes. If a man living in the city wants to build a $20,000 house—I am not implying that is a luxury home, even at that—he does not need too much assistance and possibly the rate of interest he has to pay on the money he does borrow is not of too much consequence to him.

I am not too much concerned about such a person. The person I am concerned about is that person who is in the moderately low income group. I think the minister said the other day that before a person could be considered for a loan he should have a wage of something like $5,000. I am not just sure of the figure; I think it was $5,200 and some odd. People in those circumstances are very much concerned over the cost of a house. One of the things that aggravate and concern them is the cost of the money they will have to borrow in order to build a house.

This brings me to the question of interest rates. It might be all right for the government to say that the interest rates on those loans must correspond to the rise or fall in the interest rate on government securities. If they follow the policy of asking the Bank of Canada to change its interest rates and, as a result of that change, the chartered banks follow suit, then they must not forget that is creating a hardship for those people about whom I am speaking now, the people on $5,000 salaries and less. When we have half a million people living in frame houses that are over 50 years old it does have a serious effect on them, and we should be giving it some consideration.

When the act came into force in March, 1954, the interest rate was set at 5½ per cent. We in this group took every exception to it because we were sure the rate was too high. I say to the minister through you, Mr. Speaker, that no man who is getting $5,000 a year or less can afford to pay 5½ per cent interest on money borrowed to build a house, nor can he afford to pay 5½ per cent on any borrowed money. It is just out of all reason to ask him to pay that high interest rate when you consider that when he is endeavouring to build a house costing $10,000 and it is amortized over a period of 20 to 25 years it will actually cost him $20,000. The price doubles itself. What rhyme or reason is there for this House of Commons asking people to pay 5½ per cent interest, and asking a man on a salary of $5,000 or less to pay double the cost of the house in the amortized period of 20 to 25 years? This is something that has to be considered.

On February 16, 1955, the rate was reduced to 5¼ per cent. I believe it was around that

time, or shortly after, that the Royal Bank suggested that they were going to make loans for 5 per cent. I do not know whether they made any loans at that rate of interest, but it was certainly advertised that that was going to be done. Nobody can say that the Royal Bank is not a good business organization. If that bank could lend money at 5 per cent a few months ago, then the mortgage companies could do it; but you never hear of a mortgage company offering to reduce the interest rate voluntarily. You always hear of them raising it as soon as they have the opportunity. At this time I will not discuss the methods used by some mortgage companies in extracting payment from clients. I have brought it up in the house before. The methods that some companies use are not commendable.

On March 22, 1956, the rate of interest was increased again to 5½ per cent. The very fact that we allow the rates to fluctuate shows that we are discriminating. Why should a man who took out a loan a year ago pay 5¼ per cent and a man taking out a loan today pay 5½ per cent? Remember, these are government-guaranteed loans. I do not believe the minister has told us yet—he can correct me if I am wrong—that the lending companies have lost money by lending money under the National Housing Act. In fact I am quite sure they have not. The government may have had to pay some losses, but I doubt that. The losses would be very small in any event, and I wish the minister would indicate what the figures are. Under the National Housing Act the mortgage companies just cannot lose. I have often wished that I had some field in which I could lend money on a guarantee like that.

Mr. Byrne: Me, too.

Mr. Johnston (Bow River): My hon. friend says, "Me, too". Who would not jump at a thing like that? You cannot lose. It is not a gamble; it is no bet. Every six months or so the government says, "You can hoist the interest rate a little bit". I have always maintained, Mr. Speaker, that during the war and just after the war the national housing plan was never inaugurated to build houses. The primary purpose was to provide a field of investment for the lending companies, and they have done remarkably well ever since.

I am not going to take any more time on this occasion, Mr. Speaker. I do want to say that the minister has done pretty well in his job, but he should not be allowed to sit there too complacently and not get a few jolts once in a while to bring him to his feet. I want to commend him on the way he has looked after the job and, with a little prodding now and again, I think things may go along fairly well.

[Mr. Johnston (Bow River).]

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. R. E. Reinke (Hamilton South): Mr. Speaker, Bill No. 215 as presented by the minister is extremely important in every one of its clauses, but there are two or three to which I wish to refer in particular. Under the existing legislation the clause dealing with the redevelopment of blighted areas in cities stipulates that the end use shall be for low rental, moderate rental or public use. The new bill removes that limitation, and the land may now be put to the use best suited to the purposes of the municipality and the federal government, as agreed between them.

I congratulate the minister upon bringing in these revisions of the National Housing Act. The policy of the Liberal government has always had as its expressed purpose the improvement of living conditions for Canadians generally. Apart from our tremendous welfare program, which is costing the Canadian people a great deal of money, I believe the housing legislation has done more to improve living conditions in this country than any other piece of legislation. This legislation provides a ways and means for Canadians to enjoy their most important stake in the country, the ownership of their own homes.

The minister told us this afternoon that this year will see the completion of the millionth house since the National Housing Act was brought into being. In Ontario during the past ten years 350,000 housing units have been completed. This program of home building has been possible because of the optimistic outlook of the Canadian people, their desire to own their own homes, their desire to invest their savings in homes and their confidence in Canada. Aside from all these factors I maintain that there is only one reason that people have been able to achieve home ownership, and that is the National Housing Act as provided by this government. That legislation assists in the lending of money and, second, guarantees loans so that money shall be available for those who wish to own their own homes, which in turn encourages the building industry.

I should like to mention this evening a project which is being contemplated in

Hamilton. To my mind it is a rather tremendous project, because it involves the expenditure of $1,700,000. The plan is to provide sufficient land for the construction of a new civic centre, including a city hall. The building is to house all corporation offices now scattered throughout the city. In addition parking will be provided for those who may wish to use the facilities of the city hall and the adjoining centre.

The city has expropriated about 60 pieces of property for this civic centre, which by the way will adjoin the new federal building. Included in those properties are a hotel, a factory and a lumber yard, the remainder being dwellings. The factory and the lumber yard are probably out of place in this particular area. All in all there will be approximately 4½ acres of land once the project is completed. It is proposed to provide office accommodation to the extent of some 100,000 square feet, and the landscaping will beautify this particular section of the city.

What is more important in my opinion is that off-street parking for 500 cars will be provided for those doing business in the municipal building or in the vicinity of the federal building. There is a recognized need for off-street parking. I am afraid the Minister of Public Works will say that the federal government is not concerned with off-street parking, and I am inclined to agree with him, but I do submit that it is our responsibility to provide off-street parking in the vicinity of public buildings in towns and cities across Canada. From reports I have seen apparently that is being provided here in Ottawa.

The new federal public building in Hamilton is six storeys high and cost over $3 million. It houses the income tax, the veterans affairs and practically every other department of the federal government with the exception of the post office and customs. However, parking space for only 24 cars has been provided, which I think is a rather shocking situation. I do not blame the present Minister of Public Works, because this building was started before he took office, but someone is responsible for this condition. I am rather inclined to blame the city council of Hamilton and its planning board for not providing a by-law dealing with off-street parking. They force the owners of apartment buildings and theatres to provide parking for their tenants and customers, but there is no by-law covering this other type of off-street parking. Two wrongs of this nature do not make a right and I submit that it is our responsibility to provide this parking. Parking for civil servants is provided in Ottawa and it should not be any different in any other city in Canada. A report appearing in the Ottawa *Journal* of Saturday, April 21, reads:

> Parliament's joint senate-commons FDC committee is studying Ottawa's mid-town parking problem, and will file recommendations for its solution.
>
> Variously terming the situation "appalling", an "unholy mess", and "all but hopeless", the committee spent a lively two hours in discussing just how bad it was.
>
> General Howard Kennedy, chairman of the FDC, was emphatic in a statement that "the FDC has no business in the parking business".
>
> The committee shrugged off that disclaimer, but listened intently when he reported that the provision by the government of 7,000 free parking spaces for the civil service had contributed more than anything to the lack of parking for the public.

The article goes on:

> The parking issue was raised by Senator Tom Reid, Liberal, New Westminster.
>
> "When the old wartime temporary buildings on Wellington street are demolished, the land should be used for parking," he said.
>
> "That hasn't been considered; and anyway, the provision of parking facilities is a municipal responsibility," replied General Kennedy.
>
> "It's a problem on which the FDC should take the lead," argued Alexis Caron, Liberal, Hull.

Further on it reads:

> "But don't FDC or national capital plans include the construction of a two-level underground parking lot on the site of the Daly building?" asked Dr. Rudolphe Leduc, Liberal, Gatineau.
>
> That was so, agreed General Kennedy, going on to specify that the plan was to park 200 cars construction costs being estimated at about $3,000 per car.
>
> He thought it might be done within ten years.

Mr. Speaker, you may wonder why I bring this question of parking into a housing discussion, but I do so because I believe that we as a federal government are in a sense, in the parking business whether we like it or not. In dealing with this resolution on the clearance of blighted districts, I would particularly bring to the attention of hon. members that we have a new federal building in Hamilton in the vicinity of a project of this nature, which comes under this bill; the city is providing parking, and we are not.

I do not wish to stand here and criticize without offering a solution to the problem. The minister in his bill provides for 50 per cent assistance to municipalities for the clearance, replanning and modernization of blighted areas. If the intent of this bill to clear blighted areas could include off-street parking—and I see no reason why it should not, if the end use is beneficial to the community —then I think I am perfectly in order in bringing it to the attention of hon. members.

In Hamilton we are clearing land to the extent that it is going to cost us $1,700,000. If we could obtain assistance to the extent of half of that amount, it would mean that the

city would receive assistance amounting to $850,000. I maintain that the city then should take action and expropriate property so as to provide parking for our federal government building in Hamilton under the provisions of this act. It may cost us another $200,000 to provide this parking, but with the federal government sharing 50-50 in the cost the city's share would then be $100,000. The end result would be that the corporation would have assistance, say, amounting to $850,000. They in turn would lay out $100,000, and we would have parking facilities for both these projects.

However, the most important problem to my mind still remains. After this land is cleared for whatever use it may be put to, the problem remains of relocating those who will be obliged to find other accommodation. Reference was made this afternoon by the hon. member for Regina City and, I think, the hon. member for Eglinton to a brief from Central Mortgage and Housing Corporation to the royal commission on Canada's economic prospects. To my mind the points in this brief are so important and they outline the situation so well that I feel they should be put on the record, if that has not been done already. I read from page 32 of this document, which I think has been placed on the desk of all hon. members. It says:

> Most of the housing which is ripe for withdrawal is adjacent to the commercial and industrial hearts of cities. It includes a good part of the 100,000 houses now in need of major repair in the larger urban centres. It also includes houses in adequate condition which may have to be destroyed in the process of redeveloping blighted neighbourhoods. All these houses lie in a transitional belt of mixed land uses where small businesses and industries have invaded residential blocks. The land has taken its value from its potential use for commercial purposes. The cost of acquiring blocks of blighted land in Montreal and Toronto may well exceed $250,000 an acre, this price representing the value of land and existing buildings together with payments for the disturbance of businesses. In such areas there are, of course, already streets and services some of which can be incorporated in subsequent redevelopment. In considering the re-use of the site for housing purposes the acquisition cost of $250,000 an acre may be compared with the present costs of serviced land in suburban areas, about $2,000 an acre for raw land and $8,000 for serviced . . .
>
> The objective of such redevelopment is both to eliminate substandard housing and to improve the housing circumstances of those living in such areas.

I maintain to those hon. members who have questioned the policy of the government with respect to housing that this is the policy of the government, to eliminate substandard housing and to improve the housing circumstances of those living in such areas.

> The act of clearance by public agencies brings with it an obligation to secure suitable accommodation for those who are displaced.

I am referring particularly to this problem which I mentioned earlier.

> Some displaced households may be able and willing to find their own accommodation. But it must be assumed that the majority will have to be rehoused by a public agency, either on the site or elsewhere, in new housing provided for this purpose. And—

This is important.

> —since the majority of households in blighted areas cannot meet the costs of new housing, public action is required to build and operate and pay subsidies on new accommodation . . .
>
> To what extent should central blighted areas be redeveloped to house low-income families?

It goes on to point out the various factors.

> Whatever may be the answers to these questions there remains the obligation to rehouse the present residents of blighted areas to be cleared. They must be rehoused in a manner and in a location that will make them effective contributors to the economy and life of the community and this must be done at the least possible cost to the taxpayers. Perhaps these aims may best be achieved by relocating some families on suburban sites and by releasing some central sites for other purposes.

I maintain that our most crying need today is for low-rental housing. I have discussed this very important matter with members of the board of control in my own city. They can provide a few more homes in the already existing project for 500 rental homes that we have in Roxborough Park, but this is not sufficient.

The brief from the Central Mortgage and Housing Corporation goes on further and expresses the needs for low-rental housing, referred to today by the hon. member for Regina City. I shall not read all of it, but it says:

> Estimates of the need for low-rental housing depend upon the criteria that are used. The greater part of the doubling-up occurs amongst low-income families and most of the dwellings in need of major repair and lacking essential sanitary facilities are occupied by low-income families.
>
> The need to satisfy the housing requirements of old people has begun to appear as a new problem arising from the greatly increasing proportion of elderly people in the population. With increasing age and reduced earning power many people either do not wish to maintain their family home or are unable to do so. They are not in a position to undertake mortgage payments on smaller dwellings and with increasing infirmity they require more services and special arrangements.

But here is the important point in this report, as I see it:

> Action taken to provide housing for low-income families and for old people will depend upon the climate of public opinion. Public funds cannot be used to build low-rental housing and to subsidize rents unless the public believes there is a condition that needs correcting. Furthermore,

there must be resources of local administrative skill and initiative to stage such housing operations.

In Hamilton—and I refer to Hamilton because I am familiar with the picture there—we are providing, with the co-operation of the Department of Public Works, 450 low-rental homes. These homes are being provided by renovating and relocating the balance of the wartime houses that remain in the city. They are being removed and relocated in one specific part of the city called Mohawk Gardens. These four and six-room houses are going to rent for as little as $45 a month. This amount will pay all costs including mortgage interest and principal, administration charges, taxes and upkeep.

As I said before, in this type of operation the Canadian taxpayer pays nothing. I do not think the Canadian taxpayer understands that is the case with regard to low-cost housing. It costs him nothing. I hope that persons now owning their own homes will realize this fact and will not criticize those who are a little less fortunate than they are and cannot afford to acquire homes of their own. I hope they will not resent the wherewithal being provided so these people can have decent living accommodation.

As I said before, there is a crying need for low-cost housing across Canada. First of all the municipality has to determine the need. A year ago, and I trust I may use my own city as an example again, we decided to determine the need for low-cost housing. A survey was made throughout the city, which was conducted by the university there. When the report was brought down it was found that there were over 1,000 families living in substandard conditions, some of them to my mind rather shocking, some of them actually deplorable. In nearly every case these unhealthy and shocking conditions were brought about by the fact that the wage earner was in the low income category.

In the bill now before us we are asking parliament to provide $50 million for federal-provincial land assembly. Here again the federal government is paying 75 per cent of the cost of assembling land. The money is returned to the respective governments after the land is sold to the home owners, and this arrangement eliminates land speculation completely, which means that houses can be provided for possibly as much as $1,000 less.

In my own city the federal and provincial governments have taken action and have purchased hundreds of acres of land in the vicinity. They are going to provide thousands of lots under the plan whereby the federal government is paying 75 per cent and the province 25 per cent for the land. If I may refer to Ontario, I understand that in that province there are about 14,000 such lots ready for the public, and the ultimate program will amount to something like 30,000 to 35,000 serviced lots.

I say now that I believe, in fact I know, it is the responsibility of municipalities across Canada to take some action with respect to housing. We have legislation on the books to provide low-rental housing for municipalities. We even have the legislation necessary to subsidize low-rental housing. But the federal government cannot force the municipalities and the provinces to come here, and it cannot go to the municipalities and force them to allow homes to be erected on property within their confines. These people have to take action. They have to come here and ask us. In my estimation that is where the responsibility lies. First of all they have to determine their needs. I maintain that if they do not take such action they are certainly committing a breach of trust to their electors.

In Hamilton we have determined our need. We took a survey. I call upon the city, therefore, to make an application to the federal government, which will pay 75 per cent of the cost. Let us have another 500 low-rental homes in Hamilton. The same program should be carried on throughout the whole of Canada having regard to the need in the respective cities. The municipal share in this type of low-rental housing is only 7½ per cent. It is a pittance, and is repaid to the city. They do not lose the money. It is repaid to them in rentals. But we cannot build these houses unless they apply to us.

There is one other matter to which I should like to refer before I sit down. Under the National Housing Act mortgagors or borrowers have the privilege of paying back an additional amount not in excess of 10 per cent of the original amount of the mortgage after the mortgage has been in force for one year. A similar amount can be paid off after the mortgage is in effect for two years. After three years the borrower has the privilege of paying off the whole mortgage or any part thereof on any monthly instalment date, provided he pays a bonus of three months' interest on the amount paid off the mortgage. This means that after three years the mortgagor can apply any extra amount he may wish against the mortgage on his home and the mortgagee cannot refuse to accept the payment. It may be $10, $50 or $100 a month, whatever the mortgagor decides he can pay.

In this way a thrifty home owner who finds that he has a little extra money can reduce his indebtedness more quickly than he would normally. I realize that private mortgages do not come under the scope of the National

Housing Act nor under this parliament. However, with the interest Central Mortgage and Housing Corporation has in the business of housing in Canada, I would ask the corporation to appeal to the provincial governments to revise their legislation concerning mortgages. My understanding of the matter as it now stands is that the lending institution can refuse an extra payment of principal on a mortgage unless there is a provision for extra payment in the mortgage. I do not think that is right.

I believe the provinces should introduce legislation to prohibit the practice of refusing an extra payment on principal. If a person wishes to pay an extra $10 a month or any other amount in order to reduce his indebtedness such payment should be acceptable. I think such a practice makes for good citizenship, and such a provision should be included in all mortgages and apply any time after the first three-year period has expired, in the same way as under the National Housing Act. I hope Central Mortgage and Housing Corporation will bring this matter to the attention of the provinces.

When the hon. member for Regina City spoke today he said, and I believe I have his words right, that we have not the type of government to bring up the standards of housing across Canada. The hon. member for Bow River challenged us on his side—I am not quoting his exact words—to show him how this business of providing housing has been working out. I hope I have shown him. In Hamilton we have a medium-rental project of 500 houses and another low-rental project of 450 houses. They did not come about because the federal government went to my home town and said they were going to build those houses there. Those houses were built because the council had enough foresight to come here and ask for these things; and when they come and ask for them the legislation is on the books and the help is not wanting.

We are ready to provide this help for them. I am calling on them now to provide another 500 low-rental homes. We have the land. We have the legislation. It takes very little outlay on the part of the municipality. We have been hearing a great deal today about the financial responsibilities of the municipalities and how hard they are done by. I agree that taxes are high in the municipalities and that they are having a tough struggle. Here is one piece of legislation under which they can come to the federal government. We pay 75 per cent of the costs of low-rental houses. They lay out only 7½ per cent. Let us have more low-cost housing in Canada to take care of the need I believe is here today.

[Mr. Reinke.]

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I listened to the hon. member for Hamilton South with a good deal of interest. I regret very much that he was not a participant in the debate on Monday last, because the minister might have paid some attention to the constructive suggestions he has made. In his statement this afternoon the minister used some words that sounded familiar. In the annual report of Central Mortgage and Housing Corporation I read some expressions that are similar. It begins as follows:

> In the last 10 years Canada has accomplished a gigantic task in housing its expanding population. Almost a million new homes have been built.

That has been changed slightly. But listen to this:

> They are to be seen in every town from coast to coast.

That is news to me. I have five towns in my constituency. I am not going to go out on a limb and say there are no houses which have been built there, but I will be surprised if there are houses which have been built under Central Mortgage and Housing Corporation in all these towns. I do know a number of people who tried to get loans under Central Mortgage and Housing Corporation but who were turned down. I think of one, namely the superintendent of our local school.

An hon. Member: In every province but Saskatchewan.

Mr. Nicholson: The minister did not say "in every province but Saskatchewan". Our superintendent of schools had an outstanding record with the air force. He has a salary similar to the salary he would have if he were in the city, and he was quite prepared to make the required payments, but he was turned down. I will therefore ask the page boy to take this over to the minister, and when we get into committee he can probably tell us how many houses have been built in Carrot River, Hudson Bay, Kelvington, Preeceville and Sturgis under N.H.A. The minister has the records. I have not. However, I will be surprised if he can report that there are five houses which have been built in that area. Further on this report says:

> The Canadian people have shown an unmistakable preference for the single detached house as a place in which to raise a family and to spend leisure time. The possession of a house and a piece of land has been an aspiration and a motive in life. Fortunately the earning power and the productive capacity of the nation have made it possible for a new generation of Canadians to realize this desire.

That is news also, though on examining it carefully one finds it does not suggest that all Canadians who want that sort of housing

and a piece of land have been able to get it. However, it does say this:

> About 70 per cent of new housing has been in the form of home ownership.

The minister should have gone on to say that more than 70 per cent of the people in Canada will never have a chance to own a piece of land or a home of their own unless we have some drastic changes in the housing legislation which the minister is bringing forward.

In the bureau of statistics publication entitled "Distribution of non-farm incomes", I find that 17·2 per cent of Canadian families receive over $5,000. We have 15 per cent who get less than $1,500 a year, 34 per cent who get under $2,500 and 47 per cent who get under $3,000. Hence we have altogether about 83 per cent of the people in Canada who fall below the $5,000 per year which the minister will agree one should have if one is to embark on getting a piece of land at the fantastic prices being asked now and building a modern home. All across the country we find that the situation is the same. The Flin Flon *Daily Miner* came to my desk while I was awaiting my turn to speak. In it I find a dispatch from Cranberry Portage which reads in part as follows:

> —housing is at a premium, yet people are living in places that have at one time been condemned, or should be condemned.
>
> Diphtheria broke out here last fall—now it's T.B. Since school began last September, it's been one thing after another . . .
>
> What is worrying many is the number of places being lived in that have or should be condemned. A prominent citizen of the community told of a "shack" as he described it being condemned a few years ago by a police magistrate in the company of a health nurse. It was reoccupied three days after the order and has been ever since.

I realize that the 17 per cent of the Canadian people are able to look forward to having a piece of land and a new house. I am told by some of my colleagues that Vancouver is the finest place in the world in which to live, that housing costs are low there because lumber is so cheap and it is not necessary to insulate as it is in other parts of the country. In Tuesday's Vancouver *Sun* I find that you can get a new N.H.A. home there with three bedrooms for $16,500. Here is a snap. You can get this property for $9,100. Here is another one, with five rooms, at $13,500. This one is described as being spectacular. This home has everything, completely modern, five-room, and it is going for only $10,500. Here is another new N.H.A. home at $13,900; and so it goes on down the list. There are almost two pages devoted to these houses for sale in the Vancouver *Sun*, and which cost $12,000 or $15,000, or more. They are being occupied by the 17 per cent of the people who are getting $5,000 or more.

I find that there are other conditions in Canada. I happened to run across a copy of the Toronto *Daily Star* last fall. This is dated Saturday, November 19. I tore out this sheet. In it there are two good housing stories. One is by Robert Nielsen. It is headed "Real dividends of housing are happier human beings". I might say what is well known, namely that this paper is famous for supporting the present government on every possible pretext, but sometimes some things are written that are slightly embarrassing. This article reads as follows:

> Few large cities in North America have built so little public housing as Toronto, which can show only the 1,289 units of Regent Park North completed to date. In this respect Toronto is typical of Canada as a whole, for there are scarcely 4,000 units of public housing in the dominion. One major reason is ideological: Public housing is often denounced as "socialistic".

I suppose that is the minister's way out. The article continues:

> It is therefore something of a paradox that the United States, more hostile to socialism, more committed to private enterprise than perhaps any nation on earth, has a history of 18 years of federal aid to public housing, during which some 300,000 subsidized units have been built.

The minister simply cannot argue that Canada has a good record. If you multiply the 4,000 built in Canada by 15 you get 60,000, so that compared with 300,000 they have five times as many low-rental subsidized housing units in the United States, by population, as we have in Canada.

Then here is another story by Monroe Johnston on the same page. It says:

> At least 8,000 Toronto families are doomed to live in blighted or slum housing unless metro Toronto awakes to the need for more low-cost rental housing.
>
> These 8,000 families have signed their names to the waiting list for Regent Park North, Toronto's one and only public housing development.

Later on it points out that the Regent Park development, which was started more than 10 years ago, is a show place. Previously this was one of the most blighted areas in Toronto. The people in the area were paying $36,000 in taxes. They are now paying in taxes $240,000, and in addition to paying all operating expenses and taxes they have repaid over $200,000 toward the capital cost.

When I spoke the other night I referred to the article entitled "Fourteen Days as an Old Age Pensioner," by William MacEachern. I did not explain that he is a fine looking young chap who appears to be in his early twenties, who spent 14 days trying to find out how old age pensioners live. He budgeted $20 for two weeks. Some hon. members have asked me about this article, and I am sure the Toronto

Star will be only too glad to send to anyone, as they have to me, a reprint of the articles by MacEachern. I am sure some of the older people in the constituency would appreciate the effort that was made by this young chap to find out what sort of quarters could be obtained.

I read a couple of extracts the other night, and I shall refer to a couple more. Here is one:

> Off to one side was a little cubbyhole of a kitchen where an old rusted stove leered out at me.
>
> The owner concentrated on the bathroom—it was a huge bathroom, almost as big as the main room—as the apartment's main selling point.
>
> He made passing reference to the kitchen, the view from the tiny window (the back of a used-car lot) and the quiet neighbourhood, but extolled at great length the virtues of a private bathroom for an old man like my grandfather. "Of course, he'll have to go upstairs to take a bath but he won't mind that," he said.
>
> Our inspection was interrupted by a great whirring noise. It shook the walls and the ash tray on the table rattled.
>
> "Oh, that's just a printing press in the next room," he explained. "Your grandfather won't have to worry about that; it's usually broken down."
>
> I asked him how much he wanted for the room. "Well," he said, "if your grandfather's willing to pay for the gas, I can give it to him for $6.50."
>
> I told him I'd talk it over with grandpa and come back the next day if he decided to take it. Outside again the fresh air felt good.

Here was a place on George street:

> I almost broke my leg when it crashed through a rotten step. The windows of the house were broken and it looked deserted, but I knocked anyway.
>
> The dirtiest and thinnest man I had ever seen came to the door. He had a ring of egg yolk around his mouth and what I could see of his flesh was so caked with filth I'm sure nothing short of a skinning could have cleaned him.
>
> The room was just as dirty; the floor was black and crusted, the curtains were torn and hung squint-eyed on the windows and the pattern on the wallpaper had been obscured long ago.

Mr. Speaker: Order. Did hon. members give unanimous consent to have this pamphlet put on *Hansard*?

Some hon. Members: No.

Mr. Speaker: Then perhaps the hon. member could now give us his views.

Mr. Nicholson: If I had your permission I should like to finish this sentence.

Mr. Studer: It was a socialist house with a socialist in it.

Mr. Argue: That is the best noise I have heard from the cabinet benches in a long time.

Mr. Nicholson: In all seriousness I think if any member of this house would spend two weeks in any city in Canada trying to find

living quarters for $20, and then have money left for food, there would not be any interruptions such as I have had this evening.

Mr. Studer: What is Saskatchewan doing about it?

Mr. Ellis: More than any other province.

Mr. Studer: They build theatres.

Mr. Nicholson: Mr. Speaker, I realize that hon. members on the other side are rather sensitive about the shocking conditions in regard to housing that exist in every part of Canada.

Mr. Byrne: And particularly in Saskatchewan.

Mr. Nicholson: I think it is not surprising when they read again—

Mr. Byrne: We will do our own reading.

Mr. Nicholson: —the Curtis report of 1944 and find the picture presented of the brave new world we were to have, the clearing of our slums and the subsidized housing we were going to provide for our heroes.

Mr. Studer: That is what Douglas said in 1944.

Mr. Nicholson: We have done very little. The minister boasted about the fact that Canada has the best record in the world—

Some hon. Members: Hear, hear.

Mr. Nicholson: —so far as house construction is concerned.

Mr. Studer: Per capita.

Mr. Nicholson: Per capita. The minister is wrong, as is the hon. member for Swift Current-Maple Creek (Mr. Studer).

Mr. Studer: More socialist statistics.

Mr. Ellis: Why not make a speech of your own on housing?

Mr. Nicholson: Mr. Speaker, before going to Germany about two years ago I was given, by the German embassy, a copy of a book entitled "Germany Reports". I am sure that anyone who has been to Germany since the war will agree with me that an amazing job has been done in rebuilding the devastated cities.

Mr. Byrne: Not a socialist government over there.

Mr. Nicholson: I have not suggested it was, but I am about to give the minister some information that he should examine before he goes out as far on a limb as he did this afternoon.

Mr. Argue: He does not like to get it sawn off.

Mr. Nicholson: I think we should not forget that more than 2,250,000 homes, or over 20 per cent of the dwellings within the area of the Federal Republic of Germany were totally destroyed by air bombardment. By the time the fighting ceased another 2·5 million houses were seriously damaged. In some cities like Cologne, 75 per cent of the dwellings were destroyed. The same was true of Essen.

As I said, anyone who has been to Germany will marvel at the ingenuity, the industry and imagination which has been displayed in that country as the people have tried to provide some place for their families and themselves to live. According to this table on page 181 of "Germany Reports", I find that on the basis of completed dwellings per 10,000 population, Australia and Norway come first with 96; the German republic is third with 91; the United States is fourth with 72; Sweden is fifth with 66; Switzerland is sixth with 57; Netherlands is seventh with 53; and Canada is in eighth place.

I agree that Canada's position is still worth while, but in the light of the fact that we have done so little with our cities we should not be proud. We have great resources of material and manpower, and when you consider the increase in our gross national product, the fact that we have only 4,000 low-rental subsidized housing units in all of Canada is something no Canadian can speak of with pride. Therefore I submit, Mr. Speaker, that the policies which were worked out during the war and which were understood to be sound should be accepted in connection with housing. Whatever is physically possible should be made financially possible.

Another book which I am not going to deal with at this time is one which hon. members might read with profit. It is entitled, "My First Seventy-six Years", and was written by Hjalmar Schacht, a former president of the reichsbank in Germany. He is not a socialist. I am not quoting him because he is a socialist, but he was asked to take over a responsible position in Germany when they were in their wildest period of inflation back in the early 1920's, when the hon. member for Qu'Appelle was there. He can tell us about how difficult it was for the people in Germany at that time. Then Hitler also asked Mr. Schacht to take a similar assignment when countries all over the world were in the midst of a depression.

Schacht sold the idea to Hitler that there were two important things to do, namely provide better housing for the people and provide roads across the country. These are two responsibilities of the Minister of Public Works. It was pretty obvious that tackling the housing problem in Germany was one of the major factors that made it possible for Hitler to get the support which he later used to plunge the world into the second world war. But it was sound economically for Germany in the early 1930's to face up to the slum conditions in that country and embark on an ambitious housing program so that every family in Germany could look out of their windows and see new and better houses being built and better conditions being provided for the citizens of that country.

My time is running out. The late hon. member for York South was our expert on housing. He made a very valuable contribution to the discussion when the act was up for review some years ago. The suggestions he made then are still sound. He offered criticism of the failure of the minister to tackle this problem with a view to providing the best possible housing in all parts of Canada, apart altogether from making an attractive investment return for people who want a high return on money invested.

The problem should be attacked from the point of view of providing better housing for the people. The late Mr. Noseworthy's last suggestion was that the government should not pass the buck to the municipalities. Surely the municipalities and the provinces already have greater burdens than they can meet with their diminishing resources. In a recent analysis showing how we distribute our tax dollar the Canadian Bank of Commerce pointed out that we give only 12 cents out of every tax dollar to the municipalities; we give 14 cents to the provinces and 74 cents to the federal government. The municipalities and the provinces have not the wherewithal to embark on national programs, but the federal government has all the machinery.

If a third world war broke out the federal government would not have any difficulty whatsoever in raising unlimited sums and embarking on very ambitious programs, as was demonstrated during the second world war. It is not good enough for the minister to say that after all this responsibility must be accepted by the provinces. It must be accepted by the federal government. With the taxation and resources the federal government has, with the facilities of the Bank of Canada, with the ability to plan for full employment and to raise standards of living, the federal government must take its full responsibility in this important field.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, we have listened to some remarkable statements from across the way today, but I think the most amazing was the statement of the hon. member for Mackenzie that

there had not been any building whatsoever in several of the towns in his own constituency.

Mr. Nicholson: Under the National Housing Act.

Mr. Philpott: I can remember when this new housing act was before the banking and commerce committee three or four years ago, when one C.C.F. speaker after another arose and said these were wonderful low-rental provisions and asked, "Why have you been hiding your light under a bushel? The government ought to be censured for not letting everybody know that all you had to do was to have a local tie-up, and you could have an unlimited amount of low-rental housing." Therefore I really do not know why the Saskatchewan C.C.F. government has not long since taken advantage of this low-rental housing business and built some of those much-needed houses in the constituency of the hon. member for Mackenzie.

This afternoon the hon. member for Regina City paid me the compliment of saying I was the chief government apologist. I certainly say there would not be any easier task than to be the chief government apologist for this National Housing Act, when the figures plainly show that Canada is building more new housing than any other country on the face of the earth.

Mr. Ellis: What figures?

Mr. Philpott: According to the figures given just a minute ago by the hon. member for Mackenzie, Canada stood about fourth on the list.

Mr. Nicholson: Eighth.

Mr. Philpott: The plain fact of the matter is that Canada is building many more houses this year than the highest figure given in the German paper quoted by my hon. friend. Like my hon. friend, I think I know a good deal about the new housing in Germany because I myself have been in Germany several times since the end of the Hitler war.

The first time I was there I saw the whole country all smashed down as he described it; but I will say this. While I take off my hat to the Germans for their energy in rebuilding the buildings which were destroyed in the conflict which they themselves had precipitated, I venture to say there is not an hon. member in this house who would condone the methods which were used in the rebuilding of Germany. I myself have seen people working two whole shifts in a single day, a day job and a night job. As late as 1951 I have also seen in the great city of Hanover hundreds of people sleeping every night in the public railway station because there was no housing for them to live in.

Therefore I would say, Mr. Speaker, that while I pay all tribute to the great energy of the Germans and what they have done, let us be fair to this act. Let us not be ashamed of the fact that Canada has been able to bring down a National Housing Act that in one respect is the best in the entire world. It has provided more new single dwelling houses for the people rather comfortably off than any other country in the world has been able to provide.

Mr. Ellis: What about those who are not comfortably off?

Mr. Philpott: Hon. gentlemen on the other side sometimes take unto themselves too much virtue. You would think we on this side were not eager and willing to make a good act better. We are offering amendments right now to the National Housing Act which will greatly improve the facilities for slum clearance in Canada. Some people do not like the term "slum clearance". I remember when we brought in the new act we had to change it to blighted areas. I do know that if we had had this act on the statute books last year when the civic elections in Vancouver were held the local vote would have been different, and we would now be well under way with the reconstruction of the downtown area which is needed so badly.

I am not going to stand up here tonight and say that in my opinion the National Housing Act is doing everything we had hoped it would do when we framed the act. Of course it is not. We know perfectly well that we had high hopes about the provisions of the act which were designed to facilitate the construction of unsubsidized rental housing and subsidized rental housing. As I said just a minute ago, we had speaker after speaker and we had representatives of the great trade unions in Canada ask what was the matter with us, why had we not let everyone know how easy it was to initiate the construction of these low-rental housing schemes.

In my opinion the rate of construction of rental housing since we passed the new act has been disappointingly low. I believe it will remain disappointingly low until more organizations, until more municipalities, until more trade unions, until more church groups, until more racial origin societies take the actual initiative of undertaking the construction of low-rental housing projects.

The hon. member for Mackenzie was talking about housing in foreign countries. Apart from the privilege of going to Germany again last year, I spent considerable time in the countries which in my opinion have the finest

housing projects in the entire world. I refer to Norway, Sweden and Denmark.

Mr. Ellis: Socialist governments.

Mr. Philpott: Answering my loud-spoken friend the hon. member for Regina City, may I say that I went to the chief town planner of the city of Stockholm, who showed me over a period of several days some of their masterly housing projects. At the end of that time he said to me, "I will venture to say that you are thinking the reason we have these wonderful projects is that we have a socialist government." I said, "Oh." He said, "Let me disabuse your mind because in 1903, before the ordinary people of the city of Stockholm had the vote, hard-headed businessmen who then ran the city of Stockholm and who were good conservatives—not Progressive Conservatives, who are Conservatives going backward—bought all the land for many miles around the city of Stockholm." I had the privilege of seeing a model city of 30,000 or 35,000 people which is being built as a complete entity this year, and which was possible because of the foresight of those old conservatives.

I know the socialists are always ready to boast about their achievements, but let us give credit where credit is due. The credit for the great advance in housing in Sweden is due to those hard-headed businessmen who happened to be conservatives.

I must say that the Scandinavian countries are ahead of us in the construction of low-cost unsubsidized rental housing. They have more rental housing than we have. They have not so much room as we have, and they have to go in more for apartments. I saw beautiful apartments in this city I was talking about with about the same space that I have in the Tiffany in Ottawa, yet the rental was only $45 a month. I am not going to say how much I pay for fear the landlord will boost my rent again. The thing is that in Sweden the rentals are very much lower than they are here in Canada.

Mr. Nicholson: How much would that cost in Ottawa?

Mr. Philpott: I said I was not going to tell, but it would be several times what it would cost in Sweden. I think we gain nothing by denying the fact that under the housing scheme which they have been able to operate in the Scandinavian countries they have been able to provide for their people rental housing at a lower cost than we have provided it here. However, let me say for the benefit of my hon. friends opposite who are always one jump ahead of themselves that we must remember that the whole wage scale and the price scale is lower in the Scandinavian countries. When you pay a carpenter in Scandinavia one-half or less of what you pay a carpenter in Ottawa, naturally you are going to get lower-cost housing.

There is one other respect in which the Scandinavian countries are ahead of us, and that is in the provision of special apartments for their old age pensioners. I saw thousands of beautiful apartments in Sweden, I saw many in Norway and I saw thousands of beautiful units in Denmark, which for my money is the happiest and most contented country in the entire world. I went in to see an old lady of over 80 years of age who had been born in Germany but who was getting an apartment in Copenhagen for $4 per month. When her husband was still alive she and her husband paid only $6 a month. All through the Scandinavian countries I saw evidence of the admirable planning which they have used and the great care they have shown for the benefit of their older people.

Just today I had a letter from an old lady 80 years of age, and it was this letter that made me remember the old lady in Denmark. This lady came originally from Saskatchewan and she is now trying to live in British Columbia on $40 a month, as she still has three months to go before she will be eligible for the $20 supplement. She cannot go back to Saskatchewan and get the supplement there because she would have to be there a year before she would be eligible. She is paying a rental of $7.50 a week. I think the mathematics of the thing speak for themselves.

I believe it is the responsibility of every Canadian, not just those who have the honour to sit in this house, to spend more time and energy in getting local initiative lined up for the construction of low-cost rental housing projects, and above all to get local initiative going in the design of housing schemes for old age pensioners. Many of the branches of the Canadian Legion have reserves of well over $50,000, and any branch of the Canadian Legion or of any other organization having such a reserve could swing without any further ado a housing deal running into hundreds of thousands of dollars. They could supply low rental housing for veterans receiving war veterans allowance, and all that sort of thing.

I submit that is the missing link which it is the duty of every hon. member in this house on every side to try to remedy. We must have more local co-operation to get these low-rental housing schemes for old age pensioners under way.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I had not intended to take part in this debate—

Mr. Byrne: Whatever changed your mind?

Mr. Hahn: I am pleased that you asked. The reason I changed my mind was that the last day this was discussed a number of speakers took part in the debate, such as the hon. member for Mackenzie, and raised certain problems in respect to housing for the needy and the aged particularly. Because of the policy of this particular government it was impractical for the minister to answer as to why we were unable to have the housing for which we were asking. That caused me to rise again today to see whether we could not at this time at least try to excuse the government for its inactivity in this particular field.

I do not intend to repeat any of my arguments—it is not necessary in such a broad field—but the last day I drew to the minister's attention certain difficulties that people in the Vancouver area had experienced in respect to finding housing that would make it unnecessary for them to do things that we as a society should not condone. At that time I referred to certain articles in the Vancouver *Province* to show their plight. I did not enlarge on it in any shape or form because I felt it was unnecessary to do so, and it is not my intention to do so now.

However, certain hon. members, such as the hon. member for Vancouver South, indicated that it was the responsibility of provinces and societies and certain of the individuals in the city of Vancouver and other areas to bring about the means of financing housing for the senior citizens and those who are in need. I was rather surprised to hear that, because I am satisfied that the old age pensioners of the city of Vancouver and the citizens of Vancouver would not agree with him that they had the means in that city to go ahead and use the facilities under the present act.

We have accepted a responsibility in British Columbia to our senior citizens and assist financially the people of that province more than any other province, because we have a greater number of aged citizens per capita in that province than any other province in Canada. Certainly the city of Vancouver, the district of Surrey Delta and the whole of the lower mainland, including New Westminster and the city of Victoria, have far more senior citizens per capita than has any other part of Canada, and for that reason the problem is accentuated in that particular area.

Let us stop to consider that our province is paying more to help those people than is any other province. I am speaking of the needy, those who get $40 a month only and are not earning over and above that, those who are actually in need of this housing more than anyone else. That province is therefore not in a financial position to go ahead and assist in the particular building envisaged in the act as it now stands.

Possibly there may be some members in the house who would suggest that the province should not necessarily assist them in this way but, the cost of living being what it is today, this is merely a cost of living bonus. Hon. members who live in British Columbia know that, and I am satisfied that this applies to every area of Canada. They must realize there is not sufficient money left, out of the paltry pension cheques these people get, to house them. There are those who have suggested—as I believe the hon. member for Hamilton South did—that the municipal districts are shirking their responsibilities.

In introducing this legislation the minister, as recorded on page 3168 of *Hansard* of April 23, had this to say:

> Under the proposed legislation the federal government will be authorized to contribute to a municipality half of the total cost of acquiring and clearing the area, through contributions made during the process of the acquisition and clearing.

That is the smallest portion of the cost. All the other utilities and all the other factors that a municipal district must look at are the major portion of the cost to the municipality. In regard to this matter of acquiring property, frequently the municipality has the property already and does not have to acquire it. The clearing of brush and so on in those areas is a nominal factor; it is not the expensive one. The fact remains that the cost of utilities and of providing the services required in an area such as that is the expensive item, and must be kept in mind as such. For that reason I maintain, as I did the other day, that this act does not go far enough. Basically the fact that we expect municipal districts to step in and pay their share sounds fine, but it is not the answer to the question.

The hon. member for Mackenzie drew to our attention a certain housing plan. I think Schacht was the name of the man who introduced the financing of the scheme in Germany, to which the hon. member for Vancouver South took exception. He did not tell us how this was financed. The whole thing is integrated. If we are going to carry on in this fashion and suggest that we require more housing, we must find the means of financing.

The minister has my sympathy in that respect. I know he is trying to do his level best to give everybody in this country a house. I think I indicated as much the other day when I said that 623,000 was not the true number of people in this country who actually

wanted homes. I would repeat that, because of the reasons I gave the other day; but there are these people in the country today who do need homes. Whether they are communal homes of some kind, or individual homes, such as we build in New Westminster, or apartments of some sort, the senior citizens and the needy of this country require a cheaper house.

On Monday, when I spoke to the resolution, I quoted from an editorial in the Vancouver *Province*. I did not use the whole of the editorial because I did not think it was particularly necessary. I felt that the minister was quite familiar with the situation and would probably make some comment on the substance that was proposed, but I do wish to quote from another part of the editorial, for it bears out something I said the other day and I believe it should be taken note of. It is this:

> The solution to their problem, it seems to us, is not principally a financial one, for mortgage terms have to be realistic and these people are not asking for a subsidy from the public purse. It will be found, rather, in the encouragement of new methods of construction.

We have to find new methods of constructing homes. There must be other ways whereby we can build a home that is going to cost less than $10,000, $15,000 or $20,000. Certainly when we have a society that is capable of doing so we should be able to find responsible bodies that are willing and prepared to do so.

In the course of the discussion the other day I also raised the question of fire hazards in homes. I did not deal with that question to any great extent then, but it is my intention to spend some time on it now by reason of the fact that I should like to point out to the minister that I do not believe there is a citizen of this country who is not fully aware of the fire hazards that face us today. I have had communication with one of my constituents who first drew the question to my attention.

In order to show you how these people think and the terms in which they are thinking—and you may rest assured that this man is not alone in his views—I should like to put on record what he had to say. The letter is not too long and it is my intention to read it, because I think it is something with which every member of the house should be thoroughly familiar.

Mr. Deputy Speaker: Order. I am very sorry to rise at this juncture but may I point out that I do not think a discussion of fire hazards actually is entirely relevant to the bill under discussion. I realize that several members in the course of their remarks have referred in passing to the fire hazard in connection with housing. I do not wish to be unduly harsh with the hon. member who has the floor, but he has indicated he intends to spend a certain amount of time on fire hazards, and I think if he does so he will be departing from the principle of the bill.

Mr. Hahn: Thank you, Mr. Speaker. I appreciate your statement very much. I shall not read the letter. Instead, I will draw the attention of the minister to this fact, that the legislation does cover the renovation of houses and there are certain conditions that have to be taken care of. One of them has to do with the fire hazard. The fire hazard must be taken very careful note of.

I am sorry, Mr. Speaker, that you find it is improper for me to read this missive, but I may refer to a graph this man has prepared as the result of certain questions he had me put on the order paper so he could get a true picture of the fire situation in Canada today. I may say that this honourable gentleman—I believe I can say he is honourable—has taken it upon himself to show how fires have increased. He has tried to analyse the statistics and has come to the only possible conclusion, that these fires have occurred as a result of the faulty construction in our homes today.

For instance, he takes each of the various provinces and his graph shows explicitly that the fire hazard in this country remained at a fairly constant level from 1926 to 1937. From 1937 on the number of fires in each province mounted. The reason for that was that people who built homes during the depression did not have sufficient finances available to put proper equipment in them, and today that equipment must be changed. The electrical equipment, outlets and other wiring, were of such a nature that they were not heavy enough to carry the load. Let me quote some of the figures I have here. We find an increase in all Canada from approximately 13 deaths per million to a maximum of 40 deaths per million in the years 1951 and 1952.

Mr. Deputy Speaker: Order. Again I am sorry to rise but I really feel, having heard the hon. member for several minutes now, that he is directing his attention to fire hazards and fire protection, whereas we should be directing our attention to the principle of the bill which, as the hon. member can readily see, deals with amendments to the National Housing Act. I hope the hon. member will co-operate with me in dwelling more particularly on the principle of the bill.

Mr. Hahn: With all due respect, Mr. Speaker, I know I am not supposed to refer at this stage to the clauses of the bill but

I would point out that clause 1 which repeals paragraph 16 of section 2 of the act and substitutes a new paragraph therefor reads in part as follows:

(16) "home extension loan" means a loan or a purchase of obligations representing loans or advances of money made before the first day of July, 1956, by a bank or approved instalment credit agency for the purpose of financing the alteration of, or the making of additions to, an existing home . . .

I contend, sir, that if you change the wiring in a house you are certainly making alterations to it. If I may proceed, I only have ten provinces to deal with and it will not take me long to put on the record these findings in respect of fires.

Mr. Deputy Speaker: Order. The hon. member must realize that the length of time or otherwise is not an element. I am here to attempt to enforce the rules of the house and, as I said, the remarks he has been making are directed more to fire hazards, in my opinion, than to housing. If he wants to dwell on alterations to houses or the building of houses, certainly I am not going to prevent him; but I really feel that to deal as he has been doing, with the question of fire hazards and fire prevention is not relevant to this discussion.

Mr. Johnston (Bow River): On the point of order, Mr. Speaker, may I suggest that you have referred to the construction of houses and the bill deals particularly with renovating houses. There is a clause which deals with that matter. I suggest there is nothing more pertinent to the construction of houses and their renovation than how the wiring is installed and the general construction of the renovation, and to discuss these matters certainly should be in order. I would think it would be far more in order than to talk about houses being built in Germany.

The hon. member for New Westminster is dealing particularly with the legislation and showing how these renovations should take place. If you bar an hon. member from speaking about the methods that are to be employed, what use is there in discussing the legislation? I would think the hon. member would be entirely in order.

Mr. Hahn: Mr. Speaker, in my own province we find there are a goodly number of houses which are very inadequate. I have seen these homes when I have had the task of delivering groceries to some of them. Most of the flooring was nothing like typical flooring as you and I understand it in our homes today. It was merely—

Mr. Byrne: A wigwam.

Mr. Hahn: The hon. member for Kootenay East is quite right when he says it would possibly have been better in a wigwam. I interpret his remarks as meaning that. Many of these areas have typical tarpaper shacks which are nothing but fire traps. If we are going to provide adequate facilities so we will not continue this increase in the death rate by fire from 10 per million to 40 per million, as has happened in the past 20 years, then I say it is most necessary that the act should be changed to let these people make use of the property they already own on which to build a home, because they have a right to own a home even as you and I.

As I indicated earlier, it does not matter which of these people we speak about in this fair dominion. The fact remains that we have thousands and thousands of homes which are not habitable in the true sense of the word, or places in which we should expect ordinary Canadians to live. It does not matter whether you go to the province of Alberta, where their fire losses have increased from 10 persons per million in 1937 to 51 or so per million in 1952. These things must be taken note of by this government. These are the hovels in which these senior citizens of this country live.

Why do they live in them? Because as I indicated in an earlier debate, when I pointed out the situation through the figures of the dominion bureau of statistics, those figures showed that it required $6.94 per week for one of these individuals to live. That would be some $30 per month. That allowed them only $10 a month for habitation and clothing as well. That is quite impractical. How can we as citizens of this country expect any of them to live on in these homes or so-called homes when for all practical purposes they are nothing more than virtual hovels.

I would again urge the minister to look into the possibility of whether it is not possible to get the research departments working at finding some means whereby we can build a cheaper home suitable for these senior citizens and those who are in need.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, I have this week received from my constituency two letters which have a bearing on this bill. I should like to put at least part of them on the record as I think they would be of constructive interest to the minister. They call attention to what, to my mind, is a weakness in the act which could be rectified. If this were done it would not only strengthen the act but would help these people mentioned by the last two hon. members who have spoken, namely the old age pensioners and those in the lower income groups, to get homes.

There is a group that is entirely ignored in the present act. I refer to those people who are still single, namely bachelors, spinsters, widows and widowers. There is no provision for a collective home for that group of people. I think this group should have special consideration under the act. In Oliver, British Columbia, the citizens realized the difficulty in getting proper accommodation, especially under the National Housing Act. They therefore got together and devised a scheme whereby they would provide a home for the senior citizens, and one worthy of the name. I have a letter from the Oliver and district senior citizens' society in which attention is drawn to what they think the federal government should do to assist them. They say:

> What we do ask is that the federal government should permit a grant or loan under the National Housing Act equal to one-third of the cost of building, that loan to be at a low interest rate and repayable over a long period. Three and a half or four per cent per annum could be termed a low interest rate as things stand today.

Then further down they go on to say that the community's share of this building is one-third, which is practically collected now and the provincial government is donating a third toward the building as a gift. The community feel that the federal government should at least come through with a third of the amount in the form of a loan at a low interest rate, but under the act as it stands there is no provision for that. I think this group of citizens should be taken care of, and I think the government is being let off the hook fairly easily when they have the provincial government putting up a third, the community a third, and they are only asked to lend a third. I suggest to the minister that the plight of the single people of Canada be given consideration.

Under this scheme in Oliver they will have a housekeeper. The unit cost of looking after the old age pensioner will be considerably reduced because he will be in one building, with one heating system and one system of operation—cooking and everything else—instead of about 20 separate little shacks or separate homes in which they live at the present time. Not only would their cost of living be cheaper per individual but it could be a real blessing for these people, because some medical care would be given to them. They would enjoy home comforts. More than everything else, what old people need is companionship. Such a home would provide companionship.

I listened to the hon. member for Vancouver South mention something similar that was already in operation in Sweden, where rent is $4 a month. If they can do that in that part of the world, I am satisfied that we in Canada could do something similar. But here is a start at little cost to the government; in fact it is at no cost at all. It merely means changing the act to allow a loan to be made to this co-operative community effort. It is a non-profitable organization. The profits that accrue, if any, go back into the home in the way of comforts and a better standard of living.

I think this is an ideal way for the smaller towns of Canada, whether they are in British Columbia or in Ontario, to house these people. I believe we should encourage community efforts of that type, where a community shows the initiative of getting the idea, getting the funds, and shows a real sympathy for their old people and a desire to provide them with a decent home. I know the municipalities will help, but they are hard-pressed and there is a limit to what they can do. Hence in the case of Oliver the municipality has turned the matter over to the citizens, and they are taking the part that is normally taken by the municipality. I would urge the minister to consider changing the act in order to provide that loans of that type could be made available to these communities.

The other letter to which I referred comes from the reeve of Summerland, a very prosperous little town in British Columbia and similar to several other towns in our province. We are not seriously troubled with blighted areas. Probably the towns are too new for that. We have small areas that we tabulate as blighted areas; nevertheless, there are areas that could in time develop into blighted areas if we do not prevent their growth. To this end the government could give substantial help directed toward seeing that proper town planning is carried out, and that funds are available to carry out those plans.

In the case of Summerland there is an undeveloped area that can be bought fairly cheaply and developed at a reasonable price, provided the facilities are available such as water, light and so on, which the municipality would be obliged to supply. That is the problem with respect to the municipality taking part in this scheme. They are hard pressed for money, and unless some help is given them they cannot take part in it.

I should like to read part of what the reeve has to say. They are hoping to get enough money to develop domestic water, which will be a self-liquidating project, of course. At present if they served this district with water the cost would be prohibitive and they could not afford to give the service. But if, as he points out, they were able to borrow

money from the government under the Municipal Improvements Assistance Act at 2 per cent they would be able to carry on. Then he goes on to say this:

> You are most likely aware of the town planning group in Ottawa and the efforts in the various provinces. This is largely building for the future. With the abundance of space in Canada this group is endeavouring to establish less crowded cities and towns.
>
> However, once we spread out a residental area we increase the costs. It is useless being idealistic on one hand and not practical with money resources on the other. In other words if the federal cabinet believes in town planning they could assist the municipalities considerably if aid under the Municipal Improvement Assistance Act were made available only for improvements to new areas.

That is the message I have to give to the minister from both these organizations; that he give careful consideration to assisting the municipalities to take care of their pensionable old age people and in the development of new areas. I am satisfied we could get some action if he would take up with the cabinet the reopening of this Municipal Improvements Assistance Act to make 2 per cent money available, because about two years ago the Minister of Finance intimated that he was not against the reopening of the act if the desire was there. I can assure you that the desire is there, and the reopening of the act would help develop the areas I referred to which are now handicapped because the municipalities cannot impose upon their inhabitants the heavy penalty of costly money for developing new areas.

Mr. H. A. Bryson (Humboldt-Melfort): I feel that I must not let this opportunity pass without once again saying something about housing for senior citizens, which comes under section 16 of the National Housing Act. I should like to refer to the comment made a short time ago by the hon. member for Vancouver South, when he suggested that some of the sections of the act were being modified and improved. Certainly this is one section of the act which, rather than being improved, is a step backward.

I feel that we in this country, as in possibly a good many other places, have failed to accept our responsibility toward our senior citizens. I am sure that the least we can do is say to them, "If you are prepared to pay rent for decent housing we shall provide the money with which to build the decent kind of housing you deserve". That is all the senior citizens are asking from us. They say, "You provide the housing and we will pay for it through rentals each month". Surely, we can at least accept our responsibilities to these people who have given so much, who have pioneered this country over the years.

I pointed out recently, and I am not going to refer to what I said during the resolution stage, that under the Central Mortgage and Housing Corporation we in Saskatchewan are going ahead at a very fast pace in erecting low-rental housing for our senior citizens. I was very much disappointed to learn that, because of the very small change in the act, the new provisions will not permit other provinces to follow the example of Saskatchewan. I think I am correct in saying that during the last year Saskatchewan has had 30 or so housing projects under way, and there are a great many other communities who want to go ahead with similar projects by forming limited dividend companies to provide housing for their senior citizens.

I am in favour of this type of housing for our senior citizens. I do not believe in taking our senior citizens away, as is done in some cases, and placing them in so-called institutions where they are cut off from friends and relatives and forced to live under circumstances which add nothing to their comfort or welfare. The type of project provided under section 16 is admirable in that respect.

When he spoke recently the minister agreed that Saskatchewan had done a very good job in this respect. The only difference is that Saskatchewan is able to provide adequate hostel accommodation for the remaining consorts. It is the degree of occupancy that means the difference between going ahead with these projects for self-contained units and not going ahead with them. I am sure there has been a great deal of interest shown throughout this country and the United States in what has been accomplished in my own province. As a matter of fact, the chairman of the subcommittee on housing of the committee on banking and commerce of the House of Representatives in the United States has been communicating with the department of social welfare in Saskatchewan asking for full details as to what we are attempting to do there in conjunction with loans from Central Mortgage and Housing Corporation. They are showing a great deal of interest in that. It is unfortunate that other provinces in this country are not able to go ahead on the same basis. It is equally unfortunate that after June 31 of this year even the province of Saskatchewan will not be able to continue with this type of housing.

The other evening when I questioned the minister concerning this problem he said he was satisfied that the new act was going to be fair and would meet what he believed to be the particular conditions that existed. I should like, for a moment, to tell you something about this operation in my own province. It is all very well, Mr. Speaker, to say

that you are going to provide housing for senior citizens to enable two aged people, a man and his wife, to move into a house, but what are you going to do about the remaining consort? Are you going to say that person can continue living in the house or that he or she has to find other accommodation?

I suggest that person cannot remain in that self-contained unit, and for a very good reason. We estimate that two people can live in a self-contained unit for somewhere in the neighbourhood of $40 a month, and that of course is the amount of the old age pension. The experience in Saskatchewan proves fairly conclusively that the self-contained unit can be rented for $40 a month and the mortgage to Central Mortgage and Housing Corporation can be paid off in 40 years. As I said a day or two ago the 90 per cent, and the long-term low interest rate that is being offered by Central Mortgage and Housing Corporation for this type of housing, are very generous. However, when one of the partners in the marriage dies, then of course you have to still charge $40 per month for the same space, and certainly the money cannot be forthcoming if the remaining consort is to exist on his pension.

So we have been able to convince the government that if they will allow us to build, in conjunction with the self-contained units, hostel accommodation for the remaining consorts, one hostel bed for each self-contained unit, and we are able to double up in the use of half the hostel units, we can get by very nicely. We must remember also that the construction costs of the hostel unit are considerable. When you take into consideration that you have to provide cooking facilities, laundry facilities and supervision it adds up to a very considerable expense. However, if we are able to place enough people in the hostel units we believe we can rent those hostel units for something in the neighbourhood of from $55 to $60 a month, and so the proposition becomes feasible. But under the act as it now stands—and it is going to apply in the province of Saskatchewan after June 31 of this year—we find that in spite of the optimism expressed by the minister the other evening, instead of one hostel bed for one self-contained unit, we are only going to be allowed to build one hostel bed unit for every two self-contained units.

What does that mean? It simply means that eventually you are going to have two people vying for one bed in the hostel unit. On top of that, the act stipulates quite clearly that 50 per cent of the hostel units must be left vacant in the event that this 50 per cent will be needed for remaining consorts some time in the future. So you have the fantastic situation of a very elaborate and costly hostel set-up with five people in it.

For instance, you build 20 self-contained units, but under the act you can have only 10 hostel bedrooms. If you are to allow only one bed in each hostel bedroom, as the act calls for, and if you have to leave 50 per cent of the hostel bedrooms empty, you will be asking five people to pay through monthly rental the whole cost of that hostel project in order to pay off the mortgage to Central Mortgage and Housing Corporation.

The unfair part of it is this. Central Mortgage and Housing Corporation is not prepared to lend money to a limited dividend company for the hostel project unless the mortgage is underwritten and guaranteed by the province. When the province is asked to guarantee the mortgage for a hostel type project I fail to understand why Central Mortgage and Housing Corporation should have any hesitancy whatsoever in allowing ample provision to be made for single people to go into that project.

I was very disappointed to learn that instead of carrying on on even a limited basis of one hostel unit for one self-contained unit we now find—and of course it was in the act previously—that a limited dividend company is allowed to build only one hostel unit for every two self-contained units. That, of course, makes the whole proposition completely untenable.

I hope that before we get through with this legislation the minister will give the greatest consideration to broadening the terms and making it easier for people in the communities throughout this country to make some reasonable attempt to do something for the senior citizens so that during their declining years they may be able to have some of the amenities of life which they have not been able to obtain for themselves prior to this time.

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker,—

Mr. Deputy Speaker: If the minister speaks now he will conclude the debate.

Mr. Winters: Mr. Speaker, it will take me perhaps fewer than 10 minutes to conclude if the house is prepared to have me go on.

Mr. Fleming: Agreed.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Has the minister unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Winters: First of all I would like to thank all hon. members who took part in

this debate today. One thing did seem clear, namely that almost everybody, if not everybody, thought the legislation had merit. The only difference was in the degree of merit they associated with this measure. I think even those who did not see much in it at least conceded it was a step in the right direction and asserted that if we kept going in that direction long enough and far enough we would achieve the goal which I said was the Liberal aim, namely to provide adequate housing for every Canadian.

Mr. Ellis: If we live long enough.

Mr. Winters: The hon. member for Eglinton as usual gave a speech for which he had done his homework very well. He raised some very good points. I do not propose to deal with them at length, but they were points that deserve an answer and I shall endeavour to say a few words on them.

He remarked about the fact that the average income of qualifiers under the National Housing Act has gone up. He quoted from Canadian Housing Statistics, fourth quarter, 1955, published by Central Mortgage and Housing Corporation, which states on page 5 that whereas in 1954 the average income per family was $5,065, in 1955 it had gone up to $5,207. In explanation of that I will say that, as the hon. member will recall, in 1954 the statute was changed and, among other things, it provided for a lower down payment. That, too, is reflected in the same paragraph which shows that the average down payment was $2,821 in 1955 as compared with $2,993 in 1954, while on the other hand it refers to the fact that the gross debt went up in those two years from $918 to $934.

But by way of explaining the higher family income required I should say that at the same time the down payment was decreased the total amount of the loan was increased from $10,000 to $12,800 a unit, which pretty automatically means that the incomes of families qualifying for the higher loans are at higher levels. A reference to pages 21 and 22 of the same publication will clearly demonstrate what I mean.

Table No. 30 on page 21 shows that prior to 1954 there were no loans at all over $10,000, whereas in 1955 there were 26,245 loans over $10,000 which brings up, of course, the average level of loans and the average income required to qualify for those loans. If the hon. member will refer to page 22, table 32, he will see that the loans have increased all across the board. More people on low incomes qualified for loans, and, of course, more people in high income brackets qualified for loans. While in 1954 only one person with an income under $2,000 qualified, in 1955 the corresponding figure was 15; between $2,000 and $2,999 the figures for 1954 and 1955 are 252 and 475, respectively. All throughout those income groups the number of loans has increased in those two years. In the group $10,000 and over, in 1954 the total number was 633, and in 1955, 1,249. So I think mathematically it is quite easy to demonstrate that while the average family income required to qualify for a loan went up, both at the higher end and at the lower end, there was a much broader band of Canadians qualified. That in itself is one of the reasons we were able to achieve a record number of houses built in 1955.

My hon. friend again raised the question as to why the interest rate had to be increased recently from 5¼ to 5½ per cent. I think there was doubt in the hon. member's mind as to whether this was done as a deterrent to a high level of house building. Again may I assure him that that was not the case. This was simply an effort to attract to the market sufficient mortgage money to achieve a high level of house building. We could have kept the rate of interest at 5¼ per cent, but we would not have built a sufficient number of houses. I suppose you could carry that to the extreme and say that 100,000 houses with interest at 5½ per cent is better than no houses with interest at 5 per cent. We set the rate at a level which would attract money to the market.

The hon. member thought that we were relying too heavily on municipal initiative in the development of housing projects. There again I think perhaps I have more confidence in the municipal level of government than he and some other hon. members reflected this afternoon. I shall attempt to give more background on that a little later.

The hon. member questioned the administration of Central Mortgage and Housing Corporation and I think he had in mind again the Regent Park South development. I am bolstered in that supposition by an editorial which appeared in the Toronto *Globe and Mail* this morning which rather asserts the same position. Perhaps I could give briefly a few dates and developments in connection with the project to support my argument that there was no undue delay.

On December 15, 1953, the Toronto board of control passed a resolution requesting federal-provincial partnership participation in Regent Park South. Preliminary investigations by the province, the city welfare and treasury departments and Central Mortgage and Housing Corporation local officials were completed by August 19, 1954. There were no administrative delays, but considerable

information had to be gathered. In September, 1954, the province was advised of federal approval in principle, subject to certain details being further investigated. A committee consisting of 12 nominees of the province, Central Mortgage and Housing Corporation and the city was then appointed. Families were interviewed, properties appraised and an architectural program was outlined in detail. A report was issued on March 8, 1955.

In April, 1955, the province accepted the report and agreements were immediately negotiated, both for a grant under section 23 and a federal-provincial project under section 36. The agreements were signed in July, 1955. In the meantime the city had initiated expropriation proceedings and architects were appointed. Since then action has proceeded along two parallel lines. The city has been negotiating for and acquiring title to properties. The corporation, through two firms of consulting architects, has been pushing ahead with the design of this $8 million construction project.

There certainly have been no delays in the development of a site plan and building plans. It has been necessary, of course, to consult with the provincial authorities and also with the city, particularly the city's planning board. We are now at the stage where the city may soon be expected to call for tenders for the demolition of the first group of buildings, and as soon as the land is cleared Central Mortgage and Housing Corporation will be ready to call for tenders for the construction of the first housing units. The time taken to develop plans for a project of this magnitude is not out of line.

I should like to say a few words about the speech by the hon. member for Regina City, who quoted some statements made by my predecessor the present Minister of Trade and Commerce, who did such a magnificent job in housing as he does in all other fields of his activities. The hon. member argued that we had not progressed since that date, but I would remind him of the various changes we have made in the statute, all of which in one form or another have enabled us to go further with our program of public housing. The federal-provincial section 35, now section 36, was put on the statute books in 1949; slum clearance sections were further developed in 1952, and this present bill is to enable us to go further in that direction.

The hon. member also said he did not feel the municipalities could take the initiative and see these projects through. I should like to read him a list of a number of municipalities in which there have been subsidized projects for people in the low income brackets. These are:

Newfoundland—St. John's.
New Brunswick—Saint John.
Nova Scotia—Halifax.
Ontario—Amherstburg, Arnprior, Brockville, Dunnville, Fort Erie, Galt, Goderich, Midland, Owen Sound, Port Arthur, Renfrew, Sault Ste. Marie, Smith Falls, Stamford.
Saskatchewan—Moose Jaw, Prince Albert.
British Columbia—Vancouver.

There are other municipalities which have initiated federal-provincial projects, but I will not take the time now to name them. I might say, however, that we have been unsuccessful in developing a project in Regina, where we had high hopes that one would develop. It was put to the ratepayers of Regina, who turned the proposal down for reasons best known to themselves.

The hon. member for Bow River stated that he was fearful that this legislation provided not a means for obtaining loans for house building, but rather a field of investment for the lending institutions. It may be that the lending institutions regard this as a field for sound investment, but at the same time I know he is well aware that had it not been for the lending institutions and the banks who came in under the provisions of the 1954 statute we would not have achieved the high level of house building we have today.

The hon. member for Mackenzie made a rather strange speech in the course of which he stated that he had visited Germany, and advocated that I follow in the steps of Hitler.

Mr. Argue: Nonsense.

Mr. Nicholson: I know the minister wants to be fair. I said that housing was one of the methods that Schacht had recommended when he took over the presidency of the reichstag in the early thirties and the ministry in charge of housing and road construction. Those were two of the things which Hitler did in Germany, but I certainly did not suggest that the minister should in any way mimic Hitler.

Mr. Winters: It seemed to me that was the logical conclusion for one to draw when the hon. member said that much of the success achieved by Hitler in Germany was due to the high level of housing that he had been able to attain there. I am just wondering what will happen if he takes a trip to Russia.

Then the hon. member told us about activities in other countries which leads me to recall the line from Gilbert and Sullivan,

which I think I quoted once before and which I think he may remember. The lines are:

> He praises with enthusiastic tone
> All centuries but this, and every country but his own.

Mr. Fleming: Sing it.

Mr. Winters: The hon. member for New Westminster suggested that we do everything we can to find ways of building better and cheaper houses. With that I am fully in accord. We have already set up committees to study that particular problem and are in the process now of establishing an advisory committee of citizens from across the whole country, who will give us the benefit of their advice based on local conditions, in an endeavour to use Canadian materials and resources to the best advantage in building cheaper houses and better houses, having in mind as well the very serious fire problem that he raised.

I wish to thank the hon. member for Hamilton South and the hon. member for Vancouver South for the very splendid and constructive contributions they made to the debate.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

On clause 1—*"Home extension loan"*.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take the estimates of public works and agriculture, and on Monday our supply motion.

It being fifteen minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWER TO QUESTION

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

DRILL HALL CONTRACT, DRUMMONDVILLE, QUE.

Question No. 421—**Mr. Dufresne:**

1. Who was awarded the contract for the construction of the drill hall at Drummondville, Quebec, and at what price?
2. What are the names of those who tendered and what was the amount of each tender?
3. How much did the drill hall cost when completed?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Defence Production:**

1. John F. Wickenden Company, Limited, Three Rivers, Quebec, in the amount of $265,600, plus the assignment of the contract for the structural steel in the amount of $18,654, a total of $284,254.

Question

2.

Contractor	Amount of tender
John F. Wickenden Company, Limited	$265,600
Newton Construction Co. Ltd., Sherbrooke, Quebec	268,551
Benjamin Robidas, Drummondville, Quebec	270,000
Yvon L'Heureux, Beloeil Station, Quebec	274,657
Albert Biron, Drummondville, Quebec	279,987
The Tower Company, Limited, Montreal, Quebec	321,300
R. E. Stewart Construction Co., Ltd., Sherbrooke, Quebec	332,005

3. Additional work was added to this contract after the award resulting in a final cost of $307,812.

HOUSE OF COMMONS

Friday, April 27, 1956

The house met at eleven o'clock.

BANKING AND COMMERCE

Fourth report of standing committee on banking and commerce.—Mr. Viau.

STORMS

NICOLET, QUE.—CORRESPONDENCE RESPECTING LANDSLIDE

On the orders of the day:

Mr. J. E. Lefrançois (Laurier): I should like to direct two questions to the Minister of Public Works. The first one is this: Has the Minister of Public Works had any correspondence or other communications with the government of the province of Quebec concerning the landslide which took place in the town of Nicolet in the fall of 1955?

The second one is this: If in the affirmative, would the minister consent to table such communications?

Hon. Robert H. Winters (Minister of Public Works): Yes, there has been an exchange of correspondence. Some of it has been on a personal basis and as such is not producible; but any other correspondence I shall be glad to produce, subject to the usual reservation that I shall first inform the government of Quebec.

TRADE

CEYLON—REPORTED WITHDRAWAL FROM GATT AND RENOUNCING OF EMPIRE PREFERENCE

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Trade and Commerce if he is now in a position to answer the question I asked him on Tuesday? It is recorded on page 3209 of *Hansard* and is as follows:

> May I ask the Minister of Trade and Commerce whether his attention has been called to reports from Ceylon that the government of that country is considering withdrawing from GATT and also denouncing the system of empire trade preferences. Has the department formed any opinion as to the effect this may have on Canada's trade interests?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have a reply to that question. The Associated Press item, which was in the Ottawa *Journal* of April 23, in which the minister of industries in Ceylon is reported as having stated that he will re-examine the GATT and preferential tariff obligations of Ceylon, has now been brought to my attention. It is likely that if the Ceylon government has any specific proposals to make in this connection they will inform us officially. In the meantime we are asking our high commissioner in Colombo to report fully on this matter. Until we have more complete information it will not be possible to assess the effect which this might have upon Canada's foreign trade.

RUSSIA—INQUIRY AS TO EXTENSION OF LIST OF EXPORTABLE COMMODITIES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Minister of Trade and Commerce whether the Canadian government has in mind the extension of the list of commodities that may be exported to the U.S.S.R. in view of the added commodities that were announced yesterday by the United States government and I think also by the British government?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The Canadian list will be expanded to the extent that the United States list is expanded. Our system of area export permits is somewhat different from the United States system in that we do not require a licence for every specific commodity. We issue licences for a group of commodities, none of which are strategic. The relaxations announced in Washington do not affect strategic commodities and many of the commodities on the new list were already on our list as permissible for export. However, I can assure my hon. friend that we will make such changes as will make our list as broad as the United States list.

Mr. Coldwell: May I ask the minister this question? Is there not some discretion exercised by Canada as to the removal of articles from the strategic list? Have we always got to follow what the United States does?

Mr. Howe (Port Arthur): No, and it has not been our practice to follow the United States. As I have said, our present list is considerably broader than has been the United States list. The United States is really catching up to our present practice, although we may need to somewhat extend our list.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

QUEEN ELIZABETH HOTEL—REFERENCE TO STATEMENT BY MEMBER FOR MAISONNEUVE-ROSEMONT

On the orders of the day:

Mr. Leon Balcer (Three Rivers): I should like to direct a question to the Minister of Transport. Is the minister aware of the speech given by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) in Montreal yesterday, in which he called the naming of the new C.N.R. hotel in Montreal an appalling blunder of Mr. Gordon and in which he declared that his views were shared by all the other Liberal members on the island of Montreal?

Mr. Brown (Essex West): Provincial election.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I think my position in this matter is already known, and I shall refrain from any comment on the speech by the hon. member in question.

POLIOMYELITIS

SALK VACCINE—INQUIRY AS TO SUFFICIENCY OF SUPPLY

On the orders of the day:

Mr. James A. McBain (Elgin): In the absence of the Minister of National Health and Welfare I wish to direct a question to his parliamentary assistant. Can he advise the house when the Salk vaccine will be available in sufficient quantities for second inoculations and also the approximate date for the booster inoculations?

Mr. F. G. Robertson (Parliamentary Assistant to the Minister of National Health and Welfare): The Minister of National Health and Welfare has made many announcements on the situation regarding the production of Salk vaccine, and I feel there is nothing more I can add on this occasion to what he has already said.

CUSTOMS TARIFF

SKIM MILK POWDER AND CHEESE—INQUIRY AS TO RECONSIDERATION OF INCREASE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to address a question to the Minister of Finance. Is the government reconsidering at the moment the question of whether or not to raise the tariff on skim milk powder and cheese?

[Mr. Howe (Port Arthur).]

Hon. W. E. Harris (Minister of Finance): The Canadian Federation of Agriculture and a number of other agricultural bodies attended on me yesterday to make representations to that effect, and I will of course give consideration to what they said.

HOUSE OF COMMONS

METHOD OF PROMOTION IN PROTECTIVE SERVICE

On the orders of the day:

Mr. A. J. Brooks (Royal): I should like to ask the Minister of Veterans Affairs a question. This may not come directly under his department but I think the minister will be particularly interested. My question has reference to promotions in the protective service of the House of Commons. In making promotions in the protective service is preference given in the matter of promotion to veterans with active service in the first and second world wars over members of the protective service who have had no military service? Does the time spent in military service count towards seniority in the protective service?

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, as the hon. member pointed out, this matter does not come directly under my department. The members of the protective service of the House of Commons are employees of the House of Commons. I am not positive but my understanding is that although they are employees of the House of Commons they enjoy the same privileges as other civil servants. My understanding of the veterans preference in the civil service is that preference is given to veterans with respect to entering the public service but that so far as promotional competitions within the service are concerned the veterans preference does not apply any more. I believe that is the position with regard to the civil service.

As to the second part of the question, as to whether military service should count in determining seniority in the protective service, I shall have to inquire about this matter. But there again I should like to point out that under the Civil Service Act military service does not count in determining seniority but it can be counted for superannuation purposes, and the date of seniority depends upon the date of entry of the servant into the public service.

GRAIN

INTERNATIONAL WHEAT AGREEMENT—CANADA'S SHARE OF WORLD MARKET

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, in view of the general disappointment which is felt over the recent international wheat agreement, has the Minister of

Trade and Commerce anything to report with regard to what we may expect in view of the decreased sales anticipated? What are the markets we may expect?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not heard of any general disapproval of the wheat agreement.

Mr. Rowe: I said "disappointment".

Mr. Howe (Port Arthur): The international wheat agreement was negotiated by a group of department officers with the help of six farm advisers, the latter being the presidents of the principal farm organizations of western Canada. The representatives of the farm organizations recommended the agreement. I have no reason to believe that they are disappointed. Of course, the only disappointment there can be is that the United Kingdom have decided not to join the agreement. It was hoped that they would join the new agreement. On the other hand, Argentina and Sweden, which are important exporters, have joined the agreement for the first time. To that extent its value has been enhanced.

Mr. Rowe: Mr. Speaker, if I may I should like to ask a supplementary question. In view of the reports appearing in the papers, is it true that we can expect about a 30 per cent decrease in our share in the world's market for wheat?

Mr. Howe (Port Arthur): No; that is not true. It is true that the quantities within the agreement have been decreased by 30 per cent. But in the past year we have done far more business outside the agreement than we have done inside it. The value of the agreement lies in the fact that the exporters and importers of many countries have decided that a range of values for wheat between $1.50 minimum and $2 maximum is reasonable. I think this will be a valuable agreement affecting the price of wheat.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—INQUIRY AS TO CHANGE IN ROUTE

On the orders of the day:

Mr. T. H. Goode (Burnaby-Richmond): Mr. Speaker, I have not been able to give the Minister of Public Works notice of this question. Perhaps he can answer it for me next week. Has the minister received any intimation that the government of British Columbia are planning a change in the route of the trans-Canada highway to include the Oak street bridge?

Inquiries of the Ministry

Hon. Robert H. Winters (Minister of Public Works): Only through the columns of the press, Mr. Speaker.

CANADA EVIDENCE ACT

SUGGESTED USE OF MICROPHOTOGRAPHIC FILM AS PROOF OF RECORDS

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to ask the Minister of Justice if he can answer the question I asked him yesterday.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I am not yet able to answer my hon. friend's question, but I think I might take advantage of his rising now in order to ask him to elucidate it to some extent. Yesterday he asked:

> Has any consideration been given to amending the Canada Evidence Act so that microphotographic film would be taken as proof of records of municipal governments?

An amendment to the Canada Evidence Act would affect only criminal proceedings, civil proceedings and other matters respecting which the parliament of Canada has jurisdiction. This would not affect the general run of lawsuits in which matters coming under provincial jurisdiction are concerned. The hon. member is clear on that point?

Mr. Fraser (Peterborough): Yes; I am clear on that point. What I have reference to are matters coming before the exchequer court here.

Mr. Garson: Matters coming before the exchequer court and in criminal proceedings?

Mr. Fraser (Peterborough): That is right; and in criminal proceedings.

Mr. Garson: We have not received any request for such consideration for some considerable time. I am having the department check back to see whether we have had any request. When that check has been made I will reply later.

Mr. Fraser (Peterborough): May I just say this. Because certain departments of government were microfilming their records, a couple of municipalities asked that this be done and that this government take the initial step in amending the Canada Evidence Act. Then the province might do the same.

Mr. Garson: Mr. Speaker, I think the point the municipalities might well consider is whether, for the few occasions on which their records would be required in criminal proceedings or in civil proceedings in the exchequer court, they would want to go to the expense of installing a system of this sort for all their records.

Mr. Fraser (Peterborough): Then in regard to the records of the federal government and the different departments, what is being done in case any of those records have to be brought in by way of microfilm? What is being done in regard to that?

Mr. Garson: Well, "government," under the Canada Evidence Act and within that section thereof which has to do with the use of microfilm, means "the government of Canada or any province of Canada and includes any department, commission, board or branch of the government." Where it is advantageous and where some economies can be made by having and using this type of film, there would be some sense to their doing so. But as for a municipality microfilming its records just to avoid the prospect of having some of them produced in a criminal or exchequer court case, I should not think they would want to do this; for the cost would be far greater than the savings would be.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF PUBLIC WORKS

Harbours and rivers engineering branch—

365. Branch administration, including district engineers, staffs and related expenses, $2,381,423.

Mr. Gillis: Mr. Chairman, there are two problems that I have to bring to the minister's attention briefly and I am going to do it under this administration item. The reason I am doing it is that, so far as the minister and I are concerned, it is a matter of unfinished business. There are two matters upon which we have been corresponding for some time. I was rather surprised when this year's estimates were introduced to find that there was nothing for the two very important projects I had brought to the attention of the department.

Another thing upon which I should like to advise the minister is that there is a great deal of interest in Cape Breton in these two particular problems. Of course, he being the minister in the cabinet representing the province of Nova Scotia, I know he is sympathetic, and there must be other influences behind the scenes which prevent him from doing something he otherwise would very much like to do. The first item concerns the improvement of the harbour in the town of Glace Bay. The minister's files will indicate that the board of trade and other bodies in that town have been actively bringing to his attention the need for improvement in that harbour. One of the main reasons that I think something should have been included, at least in the supplementary estimates this year, is that the town was rather badly hit by the closing of several coal mines which created a lot of unemployment.

As the minister is well aware, the town of Glace Bay is as far east as you can go; it is right on the Atlantic seaboard. The coal industry has been the main upkeep of the town over the years. It is now on the wane. In order to maintain the investments in the town in the form of schools, churches, and so forth, something else is needed and something has to be done to rehabilitate and maintain the town itself. This project that I am talking about, the expansion of the wharf and the details of how it should be done, have already been given to the minister's department, because I have press reports that indicate the board of trade are alleged to have brought to the attention of the department the need to expand the pier. One of the best ways that I can see of providing something for that town at the present time is by providing better facilities in the harbour to build up the fishing industry. There are two fairly large fish plants established on the waterfront there. About 10 years ago the department did a very good job in expanding the facilities that were there and reconstructing a new pier. It appears that the pier has not been extended out far enough. Another 600 feet should be added to it.

As the minister is also well aware, the largest swordfishing industry on this continent perhaps operates out of the town of Glace Bay. The swordfishermen from the minister's end of the province, from Newfoundland and from other sections, gather there for a couple of months in the year during the swordfishing season. Probably 200 or 300 boats are in and out of that harbour. The harbour is not adequate to handle them. If the minister had included something in his estimates this year it would have been an indication that the government realized the need of doing something in that part of the country.

It is all right to talk about bringing in new industries and to do this and that, but that is all in the future. The town of Glace Bay has transportation difficulties. It is not even on the main line of the C.N.R., although there is a coal company railroad that connects with it in Sydney. I am sure the minister will agree with me that an expansion of the fishing industry is something that is badly needed. It would not require the spending of very much money to extend the pier another 600 feet. If the harbour farther up at what they call the cove were dredged it would provide anchorage. It should be about 16 feet deep. I think it is

about six or seven feet now. Dredging and deepening the cove of the harbour to about 16 feet would provide anchorage for many ships. When they unload at the piers they could get out of the way, go up the cove and anchor overnight. There is no need of my labouring the point; the minister is fully aware of it.

There is another point I should like to mention for the minister's information. Over the years much dredging has been done in the harbour. If the pier were extended another 600 feet much of the dredging would be done away with. The coal company has dumps where they dump the slag and refuse from their mines over toward Table head where 1-V colliery is located. A strong tide runs through there and a lot of the dirt and refuse is carried into the channel of the harbour when the tide flows in and out. Of course, the logical thing would have been to remove the dumps years ago. If that were done a lot of the dirt and refuse would not come into the harbour, but it has not been done. If you extended the pier out another 600 feet you would prevent that waste from the dumps coming in; it would go out to sea instead of coming into the harbour. I am reasonably sure that because of the economic situation in that particular area and the recognition of the fact that it is a town in which it is going to be difficult to locate anything to take the place of coal because of the location of transportation facilities—there are good railways and that sort of thing, of course, but it is not the kind of town which could attract industry—there is a possibility of maintaining that town and its investments if the harbour improvements I am suggesting are carried out by the minister's department. Perhaps it is not too late even now to include something in the supplementary estimates.

The second point I would like to mention again concerns a project at Port Morien. I am certain that I have the wholehearted support of the Minister of Fisheries in these two projects. The one I am going to speak of now has been unfinished for about two years. As the minister knows there is a breakwater at Port Morien in the Morien basin. Now, Port Morien is a thriving little village with a population of approximately 1,600. There is a fish plant and a lobster factory at that point. The factory does some canning of lobsters on a small scale.

The breakwater there is another project that was built after the war. It did bring about a great improvement at that point but it is inadequate to handle the fishing industry around the Morien basin. For two years I have been urging that something be done and I know that the fish operator at that point has written much correspondence expressing how anxious he is to obtain some improvements there. If the breakwater were extended it would enable larger boats to fish out of that point and it would provide shelter for them after they unloaded their fish at the pier.

The two projects I have mentioned are not big projects. It amazes me when I hear discussions about more money being spent for technical aid for underdeveloped countries. I am not objecting to such expenditures but I do believe that charity should begin at home. We have here an opportunity of doing something for people who have been taxpayers over the years. These are displaced coal miners and this is an opportunity to rehabilitate them by improving the fishing industry. The difficulty in obtaining half a million dollars for a project that is going to create new wealth in Canada and maintain wealth that has already been established amazes me.

We are big-hearted; we can pick up a power plant in Ontario and ship it over to India, and rightly so, and we pat ourselves on the back and say, "What a great contribution we are making to world rehabilitation". There is great difficulty, however, in getting something done for our own people in communities such as the one I have been describing. The people in this community are going to be taxpayers and if their income is improved the Minister of National Revenue will receive more money.

I should think it would be a great source of pride to the Minister of Public Works if he were to carry out the suggestions I made with regard to Glace Bay harbour and Port Morien. If he were to go down there in a couple of years' time he would see what a difference a small expenditure would make to the two communities I have mentioned. It would assist in building up a Canadian industry which is becoming extremely important on this continent.

Without labouring the matter any further, I would like the minister to tell me definitely before we conclude this item what his department has in mind in relation to these two projects.

I have received letters from the minister. He said the matter was considered last year on the estimates and that it is going to be considered for 1957-58. I have heard that story for two years and it is rather discouraging that nothing has been done. When you get some encouragement about these two projects you inform your people that it is in the hands of a very capable minister who is very much interested in Nova Scotia and its future and you pass on the encouragement you get to the community and everybody is

waiting for some improvement. When the estimates for 1956-57 come out you look carefully through the book and find that there is no mention of it. Your own people will say to you, "You did a nice job for that minister; he was a great fellow last year but he certainly forgot you when he was writing the book." I trust that the minister will take a look at these two projects. The amount of money is not great, but the benefits to that community, Mr. Minister, I can assure you, will more than pay for the slight expenditure that the government may have to make. I know that everything is earmarked, that there are always many places where money is earmarked and is not used that year. By a little juggling and a little switching, you might be able to find a little more in the estimates this year and you might be able to re-sort it and put it to use in a part of the country where it is very badly needed.

Mr. Winters: Perhaps I might say a word in reply to my hon. friend from Cape Breton South. I have exchanged a considerable amount of correspondence with him and with other citizens about both these projects. He knows, too, it is the policy of the department not to include provisions in the estimates for any one year unless we are reasonably certain we can spend the money in that year.

We have both these projects under consideration. They have not yet been planned to the point where we thought we could implement the plans this year, but I can again tell him that we are actively concerned in planning both these projects and, subject to the approval of the treasury board, next year I hope it will be possible to carry something in the estimates. I have told him that in correspondence, and so I am not telling him anything now that he has not known before.

Mr. Nowlan: I should like to say a word on the same matter to which my hon. friend from Cape Breton South referred a moment ago. I would not attempt to emulate the artistic description that he gave of the book that was written, but I can read a chapter that is exactly the same as he has said. Perhaps the minister will tell us about this before the item passes. I think there was an item in the estimates some years ago for the construction of a breakwater at Whale cove in Digby county; and that item appeared one year and then was dropped. I have had some correspondence with the minister since, and he said that there were borings to be made, and he suggested that they would be able to go ahead with the construction of this breakwater on obtaining the results of these. I have heard nothing more about it and I thought that possibly the minister could tell us what the plans were with respect to that particular item, before this item 365 passes.

I was not here the other day when the minister's estimates were being discussed. I had an opportunity this morning of glancing briefly over the discussions that took place with respect to the expenditures on the works proposed at Port aux Basques, in Newfoundland, in connection with the ferry from North Sydney to Port aux Basques. When one reads that discussion, not having been here to get inflection of the voice or the human touch in that debate itself, the reading of it leaves a sort of atmosphere of unreality about the matter, which I think should be clarified before this item finally passes. I think that what the committee wants to know and should know is when the minister expects to have these public works completed at Port aux Basques so that the *William Carson* can operate on the schedule that was originally planned. I realize that may involve something of a crystal ball, and I think the Minister of Trade and Commerce is the only one who professes to have one.

Mr. Winters: He said he had loaned it.

Mr. Nowlan: It is possible that the Minister of Public Works can borrow it. There are obviously two stages in the Port aux Basques development at the moment. There is the construction of a breakwater which, as I read it, the minister says is about 35 per cent completed. I should like to know when that work will be done. That is a fair answer to give.

Then the crystal ball part comes into the fact that apparently some department, or a combination of transport or public works and the C.N.R., are not satisfied that this breakwater may serve the purpose and they have constructed a working model of the harbour which will be tried out this summer to ascertain whether further expenditures will be necessary. I think the minister should be able to tell us when this ferry can operate in that harbour. That is the pertinent question. Will the breakwater be done this summer and, if it proves satisfactory, will the *Carson* operate there immediately afterwards? When will that be? If, as a result of the working of the model, it is found that the breakwater is not sufficient, will steps be taken immediately to go ahead and carry out such other constructions as may be necessary at Port aux Basques, or will that project be abandoned and possibly Argentia or some other port used?

I take it from reading the *Hansard* of the other day that all was well in Newfoundland

and that everybody down there was very happy about the situation. That is not the way one reads it, in the press anyway. The reason I mention Argentia is that I noticed in the Ottawa *Citizen* of the the 11th of this month a report that the Newfoundland fisheries minister said in the legislature that he was going to lead his riding out of confederation if this ferry did not operate out of Port aux Basques and if it continues to operate out of Argentia. So apparently he is not too happy about the situation, and the minister would not say that he was a hostile critic of this government. There is the emphasis there.

One of the St. John's newspapers, the *Daily Star*, the other day commented on this whole question and this does not suggest sweetness and light. It said:

> It is a mad scheme which never had an atom of common sense applied to it.

That is a fairly stringent criticism to make of matters of expenditure which have already amounted to $21,760,000, in which you need a soothsayer with a crystal ball to tell us how much more can be spent and, even after it is spent, whether the works can be used. The other day the minister was probably trying to, shall we say, hold a cloak over other people rather than himself, in an explanation on this which, I should say, has confused the matter more than it was before.

Someone suggested—I think it was the hon. member for Broadview—that the dredging of the natural breakwater there had caused some of the difficulty. The minister indignantly repudiated that and said that that had nothing to do with it at all. Then that was qualified slightly when he told us that he was responsible for the setting up of, shall we call it, the committee of inquiry, something similar to a court martial that we would have in the army except that there was no one to shoot in this case. They set up a committee of inquiry of the Canadian National Railways and the departments of public works and transport. They retained a leading engineer from Great Britain to deal with this matter. According to the minister—though we have not the report in front of us—this engineer said the work of dredging, as I understand it, and in the words of the minister, had had no appreciable effect on the harbour. I do not know how you spell that word "appreciable". I suggest it should be in capital letters. If you take that out it changes the context, of course. I am sure the minister would not want to imply that the dredging was useless. I am sure that what the minister must have meant was that it had no appreciable damaging effect, that it did little appreciable damage to the harbour, because if you take the other interpretation the whole expenditure was wasted. When a particularly experienced engineer is retained by this government to come over and meet this committee and consider the matter, I think that is the most stringent statement one could expect.

As I said, how do you spell that word "appreciable", and what do you mean by "effect"? If you mean damage, that is an admission. Perhaps the St. John's newspaper to which I referred said, "Thank God, you have not destroyed the harbour entirely." Although it was a slightly euphemistic and perhaps apocryphal one, yet perhaps it was not too far out of the way. This is the situation, Mr. Chairman, as it currently appears today. When the hon. member for Greenwood asked the minister last Friday about this committee he said that he was responsible for setting it up. He was asked why and he said it was to get all the parties together and to find out what action should be taken to provide the further protection needed to make this harbour the sort of harbour into which Canadian National Railways would wish to operate their boat. That is what the committee was set up for, to find out what action was necessary to make this harbour the sort of harbour necessary in order that the Canadian National Railways would operate this boat into the harbour.

The minister, Mr. Chairman, comes from a thrifty province. The people in his own constituency are very thrifty, cautious folk. I am sure that down there he has heard many times the maxim about locking the door after the horse is stolen. I think that is the position in which the minister now finds himself. You set up a committee to inquire what should be done to make this harbour the sort of harbour into which the C.N.R. will want to operate the boat after spending $11,500,000 in constructing the boat—millions mean nothing in this case—and incurring total construction costs of over $21,760,000. After all that is done you set up a committee to decide what should be done to the harbour so that the C.N.R. will finally decide to operate its boat there.

If there is a more fantastic story than that I should like to hear it. The minister's explanation the other day to the hon. member for Broadview, an explanation in which, as I said, the minister was possibly trying to defend someone else, was that the dredging had nothing to do with it. Then what did cause this fiasco? Surely we are not dealing with imbeciles. Surely we know that the experts of the civil service are all trained and able men. But we are now faced with the

situation that nothing which was done construction-wise created this ridiculous situation, so what did do it? Who was responsible?

Since the dredging was not responsible for the situation why is it that now, after all this money has been spent, we find that the *Carson* plies back and forth like a ghost ship across the water carrying no cars or passengers and a little handful of freight at an operating cost of hundreds of thousands of dollars last year and the big piers at Port aux Basques cannot be used? The minister says that it is ridiculous to suggest that the dredging has anything to do with it. I say that the government looks ridiculous, or someone for whom the minister is perhaps unfortunately responsible because if the dredging did not do it, what did? If the minister were employing a person who created a situation like that he would fire him summarily without notice and probably sue him for damages as well.

Then we are told that, in addition to having appointed a committee to study the situation and to find out what has to be done, in addition to having brought engineers from Britain and spending millions more on the breakwater, we are now going to make a working model of the harbour. We have got the machinery in the model calibrated so that the waves can play back and forth in the tank this summer, and perhaps some time they will decide what makes Port aux Basques harbour work or tick.

That is the situation, Mr. Chairman, and I think it was not helped the other day by the minister's statement. It is one which certainly requires a more definite statement than we received from the minister. The people want to know when these errors will be over and when the minister believes the harbour can be put into operation and the *Carson* resume its normal operations, assuming (a) that the present breakwater is all that is required and, (b), if it is not. Of course, the latter, as I said, involves using a crystal ball, but would the minister give the undertaking that if the breakwater is not sufficient we will proceed immediately to construct such other works as may be necessary to salvage this investment or else say frankly that the thing will not work and start a regular scheme of operations somewhere else.

Mr. Winters: Mr. Chairman, we have heard a speech that I think my colleague might have been justified in classifying as an emotional appeal.

Mr. Green: You give us an emotional answer.

[Mr. Nowlan.]

Mr. Winters: I dealt with this matter on the basis of facts, and facts, as I understand them, are something you cannot alter. The hon. member with his legal training may try to alter the interpretation that one puts on facts but the facts remain the same and unalterable. The facts as I gave them when this item was before the house a few days ago and as I gave them last year have not changed. There is nothing I can add or take away from them because they are facts. There is nothing anybody can add or take away from them regardless of what sort of language the hon. member uses in trying to cloak the facts and give them another atmosphere. It just does not happen. The people of Nova Scotia are used to dealing in facts and I am quite willing to have them judge the situation on the basis of the facts I put before them. The hon. member can make as many statements as he likes of the kind he has made here and also throughout Nova Scotia, which I know he has done. They are always interesting and entertaining but they add nothing to the situation and fortunately they take nothing away from the situation.

I think that the advice I have received on this matter and on which we have acted is as sound as anything I have heard from the hon. member today, and I am quite satisfied that if he were in my position he would do the same thing. We are bound by the terms of confederation to operate this service into the harbour of Port aux Basques and we want to make sure that the harbour is a safe harbour under all conditions of weather so that this steamship can operate on schedule. This service is not something that may be operated only when the weather is suitable. The C.N.R. wants to operate a scheduled steamship service and to do that they must have reasonable assurance that they can get the boat into the harbour under almost any conditions of weather.

The hon. member said that I come from a seafaring part of the country. That is true. I come from a seafaring family. My father has been one who has operated into and out of Port aux Basques. I think, without going further into that aspect of the matter, the hon. member can take my word for it that the harbour has always been an exposed and difficult harbour. But it is true that we are bound by the terms of confederation to operate a service into that harbour and we are taking what steps seem to be indicated, based on the best advice available anywhere, to make the harbour the sort of harbour that will fulfil the requirements that the operators of the ferry are seeking.

We are building a breakwater. That will be completed, as I said, around July 1. I hope that statement does not add to the confusion that the hon. member said I created here last week. We are also building a scale model of the harbour. The hon. member sought to ridicule that sort of approach to the problem. Personally I do not ridicule it. I think we should do more building of scale models before we undertake capital structures.

Some hon. Members: Hear, hear.

Mr. Green: Why did you not do it before?

Mr. Hees: Why did you not do it before?

Mr. Winters: I think there is money to be saved in that way and I think there have been lessons learned which can be applied to good advantage in the future. I do not hesitate to say that, and that is why we are taking the action that we are taking now.

Mr. Harkness: It is a little late though, is it not?

Mr. Hees: Why did you not do it in the first place?

Mr. Winters: The works that have been done will all contribute to the benefit of the harbour.

Mr. Hees: This sounds like the Minister of National Health and Welfare.

Mr. Winters: It certainly does not sound like the hon. member for Broadview.

Mr. Hees: No, we are straight and to the point.

Mr. Winters: I will say this to the hon. member for Broadview, that if I had made statements in the house as inaccurate as the statements he made when these estimates were before the house last Friday I would not wait to be asked to resign. I would volunteer to resign. I have stated the facts of the situation as I know them. If there are any specific questions the hon. member for Digby-Annapolis-Kings would like me to answer I would be glad to do so. He asked about the project at Whale cove on which we have had correspondence. I can tell him that is in the planning stage and we hope to bring it forward when the estimates are under consideration next year.

Mr. Nowlan: I have two specific questions. The minister told us that the breakwater will be completed some time in July. Subject to the tests of the working model, shall I say, proving that the breakwater is sufficient, is it the expectation that the boat will be put into operation shortly after July on this later schedule? My second question is this. I am not sure whether or not the minister gave us this information. What will be the estimated cost of the projects which are now being carried out in the harbour, including the breakwater and anything else there?

Mr. Winters: The cost of the breakwater will be about $186,000. The Canadian National Railways said at the time we held the meeting—it was not an established committee and I did not say it was a committee; I said that a meeting was assembled in my office to discuss this matter—that after the breakwater was built they would run the ship into Port aux Basques on an experimental basis in order to see whether the breakwater does achieve the improvements that they would like. If then it is decided on the basis of their own findings coupled with the findings on the scale model which my hon. friend seemed to ridicule—

Mr. Nowlan: No.

Mr. Winters: —to proceed further then we will set about building the other protective works that are considered to be necessary.

Mr. Nowlan: But at least on the scale model, or have you other definite works in mind now in addition to the breakwater?

Mr. Winters: We have no other definite works in mind. We will await the findings of the scale model and I presume the Canadian National Railways officials will have some views after they undertake the experimental runs following the completion of the breakwater.

Mr. Nowlan: May I say just one other word. I do not want any misunderstanding on the record with respect to this matter. I certainly was not ridiculing the idea of a scale model as such. What I was perhaps sarcastic about, and I think justifiably so, was the construction and the operation of a scale model after $21 million had been invested without such a working model. That is what strikes me—as I think it strikes all the people of Nova Scotia and Newfoundland—as something which at least should create a smile. I do not think the people take the matter quite as philosophically as the minister would seem to suggest. He speaks about his own family and seafaring people there. I think the record shows that every seafarer virtually who had experience with that harbour had warned not perhaps the Department of Public Works but one or other of these Siamese twins who twist uneasily one against the other in trying to deal with this matter—I refer to the Department of Transport and the Department of Public Works—that the harbour was not

fitted for this type of craft. Surely it was always an exposed harbour. A smaller craft would have worked there satisfactorily and would have been entirely satisfactory to the people of Newfoundland. But somebody creates a terrific structure first—builds an ark—and then afterwards tries to create a harbour in which it can be used. That is the plan as to which one is not only sarcastic but which one could ridicule and I think justifiably. I certainly think the minister is wise in building the scale model and I hope it is a project that he will insist will be done on every other occasion in the future so that he personally will not be responsible for another such fiasco as that one.

Mr. Winters: In reply, Mr. Chairman, I can only say that I will allow the hon. member to deal in sarcasm and I will endeavour to deal in facts. I will add this as a fact. The money that has been spent there would have been required to be spent in any event regardless of scale models or any other studies made on the harbour.

Mr. Nowlan: The minister is now indulging in prophecy and soothsaying, not in facts.

The Chairman: Order. Before the hon. member for Kootenay West introduces what I believe would be another subject, I wonder if I might say a few words at this time with regard to the conduct of this debate. We must remember that in committee we are governed by standing order 59(2) which states as follows:

> 59. (2) Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

We are discussing resolution 365 which deals with salaries in the engineering branch of the Department of Public Works. I realize that in his opening statement the minister introduced a number of subjects which come after this item and which are specifically mentioned in the estimates at a later date. This debate therefore has taken a very general turn. However, in view of the specific terms of the standing order I should not like it to be taken as a precedent for future occasions. For instance, we have been discussing Ripple Rock. Under our rules I believe that discussion would more properly take place on the specific item where that is mentioned. Similarly we have been discussing Port aux Basques. Hon. members will find an item on Port aux Basques. I believe it is under resolution 372. In view of the minister's opening statement I did not rise earlier, because the debate can take place under this item if all hon. members so agree. But because of the standing order, I thought I should rise at this time to point out its terms to hon. members and to suggest that I felt most hon. members would agree that our debate could be conducted in a more orderly manner if we attempted to deal with these matters under the specific items as they appear in the blue book. I am sorry to take up this time but I thought I should make those observations.

Mr. Herridge: In view of your remarks, Mr. Chairman, and the policy of this movement always to build an orderly society, I shall not follow the disorderly example of the hon. member for Digby-Annapolis-Kings but will speak on the appropriate item.

The Chairman: Order. I did not think that I indicated in any way that the debate had been disorderly. As I take it, by agreement, we simply conducted under this item a debate which in other circumstances hon. members might have agreed to conduct under the specific item.

Mr. Hodgson: That is an example of the C.C.F.

Mr. Hamilton (Notre Dame de Grace): I have a question which I think is pertinent to this specific item. Can the minister explain why his staff of supervisors of office services has increased 500 per cent from 2 to 10 in these estimates despite the fact that his staff of clerks, stenographers and typists has actually decreased?

Mr. Winters: What page is the hon. member reading from?

Mr. Hamilton (Notre Dame de Grace): Page 470, the one which is in question at the present time.

Mr. Winters: During the year we consolidated some of our operations and in many offices we now have the engineers and architects together. This is an upgrading of some of the personnel in order to provide a general office supervision in these consolidated offices.

Mr. Hamilton (Notre Dame de Grace): I wonder whether the minister could explain that answer just a little bit? It has always been my impression that you consolidated in order to increase the efficiency of your administration, to reduce staff and, perhaps above all, to put more people under the supervision of one individual or one supervisor. After all, that is the whole basic principle of consolidation. You move people together in order that they can be supervised more adequately. But what do we find here? We suddenly find that we have consolidated and that, as a result of consolidation, we have 10 supervisors where formerly we had only

two. Now, quite frankly I had expected to see the minister rise and say he had opened some additional offices across the country and therefore he needed a supervisor in each office or something like that. I did not expect to hear him say he had consolidated and therefore needed more supervisors. I wonder if he would give us perhaps a little more adequate information on this score and particularly in view of the fact that his office staff, clerks, stenographers and typists, has actually decreased in number while his supervisory staff has increased 500 per cent.

Mr. Winters: Mr. Chairman, I have asked the personnel people to let me have an answer to that, and I shall have it in a few minutes.

The Chairman: Shall item 365 carry?

Mr. Hamilton (Notre Dame de Grace): No, could we stand the item until we get an answer and perhaps go on to the next item.

The Chairman: Does the hon. member for Comox-Alberni desire to speak to item 365?

Mr. Barnett: Yes. I have one or two matters I should like to bring up under this item if it would not inconvenience the minister. Probably we could deal with these while his advisers are getting an answer to the other question. As a matter of fact I have been waiting to raise one or two questions in connection with Ripple Rock, but in deference to your suggestion I shall defer that.

There is one matter that involves the general administration of this branch rather than any particular item which I should like to bring up at this time. I refer to the general plan or design which is being followed, at least in the province of British Columbia on the coastal area, for the construction of the approaches to some of the fishing floats which are being installed there from time to time. I have had this problem brought to my attention, and perhaps the minister might be able to give some information on this subject. The problem which some of the fishermen on the British Columbia coast have brought to my attention arises from the fact that some of these approaches are quite long and go out over a gently sloping beach to deep water. They are being built in a manner which makes them not quite wide enough to allow for the passage of a motor vehicle.

In none of these places would there be any heavy motor vehicle traffic, but situations do arise where fishermen wish to move heavy nets or remove the engine from their boats for major repair or transport fuel to their vessels, and it would be a great convenience to them and save a great deal of backbreaking effort if they were able to take motor vehicles out over these approaches to carry whatever they wanted to move. As the members of the committee know, I am not an engineer but from my observations it would appear that the type of construction which is being used would be quite adequate to carry the ordinary motor car or truck. Most of these approaches are being built on good piling, either driven piles or piles on concrete block bases, and the joists and timbers underneath would appear to me to be adequate for that purpose. It does seem that the increased cost involved in adding another foot or two to the width of these approaches would not be substantial.

For these reasons, Mr. Chairman, I would be interested if the minister could give the committee some statement as to why it has been the policy of this branch to design these approaches in this particular manner, where the approaches are primarily for use in approaching fishing floats rather than a wharfhead which is designed for steamer service and where the approaches are wide enough for motor vehicle traffic.

Mr. Winters: Mr. Chairman, there has been no over-all policy that is applied to all approaches to these floats. We try to consider each one on its merits. I do recall the hon. member spoke to me about one some time ago.

Mr. Barnett: Yes, I did mention this problem to the minister. I was wondering whether he might have some information on the subject. While I did mention a specific project that was in contemplation, I also mentioned that I had observed a number which had been designed along similar lines and I had been led to assume there may be some general policy in respect to the plan or design of these approaches. I thought it might be useful if we could have some general clarification of this matter rather than a discussion of one specific project. This matter goes beyond that.

Mr. Winters: We consider each case on its individual merits, Mr. Chairman.

Mr. Barnett: There is one other matter upon which I should like to say a few words. I am not sure that I necessarily expect the minister to make a statement in reply but I would be happy if he could do so. This is a matter to which I referred during the discussion of these estimates last year and I believe the year before. It arises out of the fact that, so far as my observation goes, there appears to exist an almost complete impasse in the relationship which exists between the

federal Department of Public Works and the provincial department of public works in British Columbia in respect to any form of co-operative arrangement in places where some form of co-operative arrangement could very well effect substantial savings to the taxpayer.

The minister may recall an individual case in last year's discussion concerning the question of harbour protection in respect to the operation of a ferry between Hornby island and Denman island. Also this same problem has arisen in respect to the crossing between Campbell river and Quathiaski cove on Quadra island. This summer I came across an example of the same sort of thing where all that appeared to be involved, at least so far as the people in the locality were concerned, was a small piece of sheet iron. I do feel some definite attempt should be made to work out closer liaison between the engineering branch of the federal department and the provincial department. I am not attempting to assess where the main responsibility for this situation exists, but I do know it is one thing which has caused more exasperation on the part of residents of such communities as Van Anda and Blubber Bay than any other single item. They feel they are caught in a complete run-around because when they go to the federal department they are told any action is the responsibility of the provincial department, and when they go to the provincial department they get the opposite answer. As far as I am concerned most of the matters involved are straight matters of fact, of common sense, of business co-operation and of the effecting of economies through joint action.

A little earlier in the discussion the minister referred to his appreciation of the value of facts of a situation. I would submit, Mr. Chairman, that here is an area of operation which does affect the life of a good many citizens of British Columbia and a careful appraisal of the facts of the situation by the minister's department and by the corresponding department of the government of British Columbia could bring about some desirable results.

If the minister has any comment to make on the matter I would be very glad to have it from him.

Mr. Winters: I have no great profound knowledge to communicate on this business of co-operation between provincial and federal governments in this field of public works. I think the co-operation is pretty good. We each have our own spheres of activity but our relationships are quite close. There is quite a constant flow of correspondence between me and the minister of public works in British Columbia. Sometimes there are projects that one government might be reluctant to acknowledge as being within its jurisdiction and it takes a little time to resolve matters such as that but generally speaking there is pretty good co-operation.

On the question raised by the hon. member for Notre Dame de Grace, who pointed out the fact that there has been an increase of eight in the number of supervisors of office services, I told him that came about as the result of consolidations, and that is true. There have been some reclassifications as a result of those consolidations. If he will look further on the same page he will find there has been a decrease of six in the number of clerks, grade IV, and a decrease of two in the number of principal clerks. That means there has been a decrease of eight. Eight people have been reclassified in those district offices where there have been consolidations with the result that there has been an increase of eight supervisors of office services but not an increase of eight bodies.

Mr. Hamilton (Notre Dame de Grace): Are they doing the same work as heretofore?

Mr. Winters: No, they are not, Mr. Chairman; their work is in the nature of that of a manager of the combined office.

Mr. Hamilton (Notre Dame de Grace): We then seem to come back to the original position. We have consolidated and in the process of consolidation we have 10 managers where we used to have two; is that correct?

Mr. Winters: No, there is no increase. As I have said, it is a reclassification rather than an increase.

Mr. Hamilton (Notre Dame de Grace): It seems to me, Mr. Chairman, it might take a very careful examination of the minister's office operations which we are not in a position unfortunately—and I say "unfortunately" advisedly—to give here in this house. It seems to me it is a most peculiar situation. It was obvious from the rather lengthy time it took to answer the question which was asked in the house, which will not appear on *Hansard*, of course. It was obvious from the time it took to get an answer to that question that no study has been given to this particular situation at all which, on the face of it, is an unusual one. When we look at the minister's estimates, as has already been pointed out, we find that the amounts for which he estimated last year were almost invariably greater than his expenditures. If there were such careful search for economies and a reduction of expenses and careful administration which

this government claims so proudly and so publicly to be doing, it seems to me that items such as this should be investigated more carefully by the government and not brought to the house in this particular form which is so inexplicit.

Item agreed to.

Dredging—

367. Maintenance and operation of plant and contract and day labour works, $3,499,100.

Mr. Green: This item covers maintenance and operation of plant and contract and day labour works in connection with the dredging done by the department. The minister will recall that two or three years ago dredging was undertaken in the first narrows, the entrance to Vancouver harbour. I believe that work was finished some time last year. In addition to that dredging, it was understood that there would be a scale model set up—another one of those models about which the minister spoke a few moments ago—I think to test the effects of this dredging on the currents in the harbour. I think it was further understood that eventually a second stage would be undertaken for further dredging of the entrance to the harbour. Can the minister tell us what progress has been made on that scale model and whether it is still the intention to do further dredging work?

Mr. Winters: Mr. Chairman, in April, 1953, an interdepartmental committee on engineering studies of Vancouver harbour and possible improvements to navigation was established by my colleague the Minister of Trade and Commerce and financed by the national research council. The Department of Public Works, the national research council, the national harbours board, the Department of Transport and the University of British Columbia were all represented.

The studies resulted in report No. MH-52, dated December 30, 1954, "Analysis of Tides and Currents in Burrard Inlet" by Mr. W. D. Baines, division of mechanical engineering, national research council. The report is now being studied by the various government departments. No action has been taken yet toward the implementation of the recommendations in the report.

The most spectacular recommendation would be to close the second narrows and construct a lock to permit vessels to pass this point. This action could reduce the velocity to zero and at the first narrows to 1·8 knots. The present maximum velocities at these two points are 6·3 knots at first narrows and 6·8 at second narrows.

The dredging of the first narrows now being undertaken by the department is in keeping with the recommendation of the report but is not on the scale recommended. That matter is still under further study.

Mr. Green: Am I to understand there will be further dredging work done in the harbour and that the government is considering the possibility of locks being installed at the second narrows?

Mr. Winters: I certainly say it is included in the report and that the whole report is under study; but what will be done further I am not in a position to say until the studies have been completed, Mr. Chairman.

Mr. Green: Is the report in such shape that it could be tabled in the house?

Mr. Winters: I am not sure that the report has not been tabled, Mr. Chairman. It may already have been tabled. It is a report to my colleague, and I shall ask him about it.

Mr. Green: I do not believe it has been tabled or I would have known about it. If it has not been tabled would there be any objection to tabling it? I ask that because our harbour is vital to the progress of the city of greater Vancouver and in fact to the whole of British Columbia. Great interest has been taken in it and I think the report should be tabled so the public would know what has been recommended.

Mr. Winters: I would think that would be all right but it is subject to the concurrence of my colleague to whom the report is submitted.

Mr. Hahn: Mr. Chairman, during the past two or three years it has been my privilege to draw to the attention of the house the problem of dredging on the Fraser river. The minister is quite familiar with the problem and I do not intend to devote this period to discussing it. I would like the minister to outline for us now, if he could, exactly what is being planned in the way of dredging on the Fraser river during the ensuing year.

Mr. Winters: Annual dredging to maintain navigable channels is required: (1) for ocean shipping New Westminster to the sea; (2) for coastal tugs and log rafts, North Arm; (3) for tugs and log rafts Sumas to Hope and also in the Harrison river. During 1955-56 (1) and (2) were carried out by departmental plant and by contract dredging. Departmental dredges Nos. 303 and 305 operated at various locations between the mouth of the river and New Westminster and removed 780,183 cubic yards. Contract dredging at Annieville channel and in vicinity of Searle elevator amounted to approximately $272,000. (3) was carried out by equipment employed on a rental basis. Two outfits have been used for

various periods each summer for the past several years including 1955-56.

Mr. Hahn: Is the minister satisfied that the new dredge which has been put into operation is adequate to serve the purpose for which it was designed in respect to keeping the channel free of silt?

Mr. Winters: I am satisfied on that point, Mr. Chairman.

Mr. Herridge: Mr. Chairman, I just want to deal for a few moments with the modest dredging requirements of Kootenay West, and I can assure the minister that I shall present my argument in a most restrained manner. I do so because of changed circumstances on the Arrow lakes.

I have discussed this to some extent with some of the minister's officials but in view of the changed circumstances I am somewhat afraid that an engineer who has possibly emigrated from Ontario to British Columbia might not be fully acquainted with the past circumstances and the current needs.

This dredging on the Arrow lakes was commenced about 55 years ago by the federal government to make it possible for the passenger ships of the Canadian Pacific Railway, the stern wheelers, to go between the upper and lower lakes and it has been carried out continuously throughout the years because it was necessary.

Now, some of our people are afraid that because this passenger service has now ceased —there is no passenger service from one end of the Arrow lakes to the other; there are two services, one on the upper and one on the lower lakes but there are no passenger vessels going through the narrows—the departmental officials may come to the conclusion that dredging is not required in the narrows. As a matter of fact, it is required as much as ever. Where there is a lessening of passenger traffic there is an increase in the use of the narrows by tugs and as a matter of fact most of these tugs have a deeper draught than the former stern wheelers that were running up and down the lakes. These tugs tow logs, haul ore and barges and things of that sort.

These bars shift almost every year. Years ago the minister's officials used to conduct quite a comprehensive survey of the whole narrows and take levels and so on. I do not think there has been as much expended in that direction in recent years but because of the shifting bars and the continual washing in of the banks of the Columbia into the centre of the river in the narrows between the upper and lower lakes, annual and constant dredging is necessary.

[Mr. Winters.]

I urge the minister to make certain that there is a thorough investigation of the situation and the needs of the lumber companies, mining companies and other industries before considering the suggestion of not providing in the estimates for dredging on any portion of the Arrow lakes.

Mr. MacLean: Mr. Chairman, I hesitated because I thought the minister might want to make some comment on what has just been said. I rise now to ask if the minister might consider giving a very brief résumé of the planned program for dredging in Prince Edward Island for this season.

Mr. Winters: Mr. Chairman, I wonder if I might give that information when we are on item 374, which is the harbours and rivers engineering branch detailed by provinces.

Item agreed to.

Dredging—

368. Construction or acquisition of plant and equipment, $379,150.

Mr. McBain: Mr. Chairman, I would like to ask the minister one question. I think it was back in the year 1952 when the public works dredge No. 117 sank in Port Stanley harbour resulting in the loss of the life of the captain and one of his crew. Could the minister advise me if that dredge has been replaced or if any consideration is being given to replacing the dredge which sank?

Mr. Winters: May I answer that when we are on the item under Ontario?

Item agreed to.

Graving docks—

369. Maintenance and operation, $979,200.

Mr. Green: Mr. Chairman, this item has to do with graving docks. I notice in the details on page 476 there is a notation to the effect that the appropriation for the Prince Rupert drydock is no longer required. As you know, that drydock was sold.

Has the government any plans for establishing a drydock in Prince Rupert? I mention that because I notice further down on the list of estimates provision is made for drydock subsidies, one being the Burrard drydock in North Vancouver and the other the Saint John drydock in New Brunswick. Would the government be willing to pay a subsidy for the operation of a drydock in Prince Rupert or are there any other plans in contemplation which would lead to the re-establishment of a drydock there?

There have been great developments in northern British Columbia. Prince Rupert is the terminus of the Canadian National line across central British Columbia and certainly

there should be a drydock in that city. In my opinion it is a great tragedy that the former drydock was sold. Has the government any plan that would lead to the establishment of a new drydock there?

Mr. Winters: Mr. Chairman, this is something about which the present chairman knows a great deal. He has been very keenly interested in the developments there as the hon. member for Skeena (Mr. Applewhaite). We were very sorry to see that drydock leave Prince Rupert. It was operated under an arrangement with the Canadian National Railways, and they felt that they did not have enough use for it to merit the very heavy expenditures it was costing. There did not seem to be anybody else available who was interested in taking over the drydock, and it was thereupon sold. To the best of my knowledge, there is no action on foot now and none contemplated to replace the drydock at Prince Rupert.

Mr. Green: I am sure the chairman will endorse my remarks. Would the government give some consideration during the coming year to plans which might lead to the re-establishment of a drydock in that city?

Mr. Winters: The government is always ready to give consideration to any proposal. I do not know that there is any proposal before us by anybody. A marine railway was once discussed, but I have not seen anything of it for some considerable time now and, as I have said, I know of no proposal to replace the old drydock at Prince Rupert.

Item agreed to.

Item 370 agreed to.

Roads and bridges—

371. Maintenance and operation, $336,643.

Mr. Pearkes: With regard to item 371, I notice in the details as published on page 478 that provision is made for a bridge over a canal and a causeway connecting the city of Kingston with the village of Barriefield. I was wondering whether any representations have been made—and I feel quite certain they have been made—from the city of Victoria regarding the Point Ellis bridge. This bridge spans an arm of the Victoria harbour and connects the capital city of British Columbia with the important naval base at Esquimalt. This bridge has been a hazard to navigation for a great many years. There are now signs at both ends of the bridge that all vehicles must stop before they go on to it and they are allowed to proceed across this rather long span at only ten miles per hour. The result is that a great deal of military traffic coming from Esquimalt will have to go by other routes if it has to reach Victoria. It has to go around by the trans-Canada highway, the new highway that is being built.

Citizens of Victoria and the district of Saanich have really become exasperated at the long delays in getting anything done regarding the construction of this bridge. A vote was taken and a bylaw was passed recently as a result of the plebiscite, authorizing the city to proceed with the construction of a new bridge. I noticed that there is a substantial sum provided, $136,000, in the details under general items. I also understand that the city of Victoria and other organizations have made representations to the minister for a grant towards the completion of this bridge.

There is a very definite federal responsibility connected with this bridge because it is used very extensively by naval and military vehicles. There is no doubt that any funds which the minister could provide out of this general grant would be used this year. He has expressed some reluctance about making available money that is not going to be used in the current year. There is no doubt that a start would be made on reconstruction of this bridge during the coming year, and I hope, without making any sort of emotional appeal but making a very practical appeal, that the minister will say that there is the responsibility on the federal government, that there is the need to have this new bridge and that assistance from federal funds is essential. Could the minister tell me whether there have been representations made, as I feel certain there have been, and, if so, whether the dominion government will be prepared to assist in the construction?

Mr. Winters: There have been representations. The former mayor of Victoria saw me on one occasion with the member from Victoria, and I think he subsequently saw the Minister of National Defence. I was obliged to tell him then that the government does not consider it has a responsibility there and that the provision of an adequate bridge is a local responsibility.

I am well aware of what the hon. member has said about traffic and the navigational aspects, but they are not enough to involve the federal government in financial participation. We are quite prepared to examine the navigational aspects and give those approvals which are necessary and which we can under the authority of the Navigable Waters Protection Act give to authorize a bridge being built in an appropriate manner and in an appropriate place, but there is no obligation upon the federal government to participate financially.

Mr. Pearkes: And therefore there will be no funds forthcoming?

Mr. Winters: That is right.

Mr. Johnston (Bow River): I assume this is the proper place to mention the subject about which I wish to speak. It has to do with the construction of the bridge on the Kicking Horse river at approximately mile 4 in the Yoho park.

Mr. Winters: If the hon. member would not mind, we could discuss that later when we are on the estimates for the development engineering branch. It is a bridge on the route of the trans-Canada highway.

Mr. Johnston (Bow River): Would that be item 382?

Mr. Winters: Perhaps since it is a matter of particular interest it could be discussed on item 387, dealing with the trans-Canada highway.

Mr. Johnston (Bow River): Whichever item you wish to discuss it under is satisfactory to me.

Mr. Winters: Item 387.

Mr. Green: This item has to do with bridges. The minister will remember that in former sessions we have had discussions about the Marpole bridge over the north arm of the Fraser river.

Mr. Winters: This deals with maintenance and operation of bridges.

Mr. Green: I think this is the only vote on which that could be discussed. It has been discussed on that same item in other years.

Mr. Winters: Item 382 would be more appropriate, but I do not object.

Mr. Green: I am rather surprised to find there is no vote in these estimates for at least the sum of $400,000, which I understood the dominion government was prepared to contribute towards the cost of a new bridge over the north arm of the Fraser. The minister will remember that the original plan of the dominion government was that there should be a new lift span placed in the old Marpole bridge. The provincial government was unwilling to undertake a change of that kind—and, I think, quite rightly so—and insisted on building a modern high-level bridge, to be known as the Oak street bridge. At first the dominion government took the position that no contribution would be made towards this Oak street bridge. I discussed it in the house in 1954. I refer to page 6774 of *Hansard* of June 25 of that year. The minister's parliamentary assistant was handling the estimates at that time, and at that page I find the following:

Mr. Bourget: I think the amount of $400,000 has been offered to the province to build the Marpole bridge, but I am informed that they want to build the bridge at Oak street.

Mr. Green: That is right.

Mr. Bourget: So far, I do not think—

Mr. Green: Does that mean then that unless the provincial government agrees to this ridiculous scheme of simply putting a lift on the old Marpole bridge, the dominion government will not make any contribution at all?

Mr. Bourget: I am told that they will probably make the same offer for the Oak street bridge.

Mr. Green: The dominion government will pay $400,000 on a new bridge on Oak street?

Mr. Bourget: That is right, Mr. Chairman.

Last year the minister made a statement on the same question to be found at page 6416 of *Hansard* for July 19, 1955. There I find the following:

Mr. Green: Does the minister mean the government will pay $400,000 if there is no toll only on the subsidiary bridge which will go from the main bridge to Sea island?

In other words, the new bridge has a main span and then a side span off to Sea island.

Mr. Winters: That is the bridge to which I referred last night.

Mr. Green: In other words, if the toll is only on the main bridge—

The main bridge as distinguished from the bridge over Moray channel.

—that would not prevent the $400,000 being made available to the provincial government; is that correct?

Mr. Winters: That is right, yes.

The following day the premier of British Columbia was reported as having stated that the provincial government was prepared to accept the $400,000 contribution offered by Ottawa for the new highway bridge across Moray channel between Lulu island and Sea island.

There does not appear to be any vote in these estimates and I am wondering whether that agreement still stands. In other words, is the dominion still prepared to pay the $400,000? If so, why is there no vote in the estimates? The bridge is now well under way and I do not know whether or not the provincial government has been assured that the $400,000 will be forthcoming. It would be very helpful if the minister would clarify the situation.

Mr. Winters: The situation is that when we were compiling the estimates I wrote to the minister of public works of British Columbia and told him that the $400,000 was still available on the basis we discussed but that if he did not intend to take advantage of the arrangement in the then oncoming fiscal year I would not carry the amount in the

estimates. He agreed there would be no need to carry the amount in the estimates this year.

Mr. Green: Is there a definite agreement between the two governments that the $400,000 is to be paid by the dominion?

Mr. Winters: There is no definite agreement on that. The only agreement is that we have undertaken to pay $400,000 under certain conditions but they have never taken up that offer.

Mr. Green: Exactly what are the conditions today under which the dominion will pay the $400,000? This matter is of vital importance to the people of the lower mainland of British Columbia because if the dominion does not pay the $400,000 the people are going to have to pay that much more in the way of tolls.

Mr. Winters: The conditions are the same as they were last year.

Mr. Green: Can the minister tell us exactly what the conditions are under which the dominion government will now pay the $400,000?

Mr. Winters: The conditions have not changed since we reviewed the item last year. The British Columbia government undertook to build the Oak street bridge on which they said they would charge tolls. They then undertook to build another bridge —I was going to call it a secondary bridge— from Lulu island to Sea island. That bridge would cost something in the order of $1 million. It would be a low level bridge and, as I understood the situation, the British Columbia government did not intend to apply tolls. I told the minister of public works of British Columbia that if that were to be the case; if they would build the bridge, have it toll free and ask for our participation to the extent of $400,000 the money would be made available. That is the basis I outlined to the committee last year and that is still the basis.

Mr. Green: So if the provincial government is prepared to build that bridge and refrain from charging tolls on traffic using the bridge over the Moray channel the dominion will contribute $400,000?

Mr. Winters: That is a correct understanding, Mr. Chairman.

Mr. Robichaud: I should like to ask a question of the minister and I think this is the proper item. On two or three different occasions I have brought to the attention of the house the unfortunate situation of the residents of Shippigan island with regard to communication with the mainland. Can the minister tell us if at any time he or his department has received an official request from the premier of New Brunswick or from the department of public works of that province for financial assistance with respect to the construction of a bridge to link Shippigan island with the mainland?

Mr. Winters: To the best of my knowledge there has been no request from the premier of New Brunswick or the department of public works of New Brunswick.

Mr. Montgomery: If such a request is made, will the department give it favourable consideration?

Mr. Winters: I think the hon. member knows the position we have to take here with regard to hypothetical questions.

Mr. Montgomery: Does this bridge fall within the jurisdiction where the dominion makes contributions or do you consider that it comes specifically within provincial jurisdiction?

Mr. Winters: I have not examined the matter, Mr. Chairman, because we have had no request that I have seen. However, to give an offhand opinion I would think that it would be a matter within the scope of provincial jurisdiction since the bridge is entirely within the confines of the province.

Mr. Hahn: The minister's statement that the bridge is entirely within the confines of the province of New Brunswick causes me to rise to ask whether that is the basis upon which all bridges that are built by the Department of Public Works are built at this time.

Mr. Winters: As the hon. member well knows, there are many considerations. We have already contributed to some 40 or 50 bridges in the province of British Columbia along the route of the trans-Canada highway.

Mr. Hahn: I am thinking of bridges not on the trans-Canada highway. Let us take the Jacques Cartier bridge as an example. What causes the federal government to participate in the building of such a bridge within a province when it is not on the trans-Canada highway?

Mr. Winters: The Jacques Cartier bridge, the illustration used by my hon. friend, was built by the national harbours board across the river in Montreal. It is a toll bridge. There were other considerations there.

Mr. Hahn: It was built by the Department of Public Works?

Mr. Winters: No, it was built by the national harbours board.

Mr. Hahn: I have another question. It follows one I put to the minister on March 26. On that day I asked the minister a question respecting the Lulu island bridge. The question, which is to be found at page 2590 of *Hansard*, reads as follows:

> Mr. Speaker, I should like to direct a question to the Minister of Public Works, notice of which I sent him earlier this day. In view of the urgent necessity of calling tenders immediately to replace the Queensboro bridge, is the minister in a position to indicate whether the department approves the plans which have been submitted by the city of New Westminster for replacing the present bridge with a new one?

At that time the minister indicated that if the city followed the proper procedure of advertising the proposed bridge in the newspapers and inserting an advertisement in the *Canada Gazette* for a period of one month the matter would be considered. I asked that question on March 26. I understand that on the following day the city complied with the regulations. I wish to know now whether or not the plans as submitted have met with the approval of the department and whether the city has permission to go ahead and build a new bridge to replace the Queensboro bridge?

Mr. Winters: The plans have not come before me for approval and therefore the project has not yet been approved.

Item agreed to.

Acquisition, construction and improvements of harbour and river works—

Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended on individual listed projects—

372. Newfoundland, $2,260,601.

Mr. Bell: I wonder whether I could ask a question only by way of information on the statutory item that immediately precedes item 372 with respect to Saint John Dry Dock. I understand the back history of the subsidy here and I do not wish to go into the full details of it. But could I just ask what the new plans are with respect to the payments that are going to be made until 1959? I understand that the old 35-year subsidy plan expired in 1954 and that they are under some new system under which the amounts are far less. I am just wondering how that is determined. Is it determined with respect to future works or plans and will this subsidy end in 1959 or are we to have a continuation of the subsidy as long as the drydock at Saint John maintains the requirements having regard to the other essentials that are necessary for the subsidy?

[Mr. Winters.]

Mr. Winters: Mr. Chairman, we have now extended the agreement to January 1, 1959, with anticipated payments over the period from now to January 1, 1959 totalling something over $95,000.

Mr. Bell: It cannot be exactly the same agreement because the amount is considerably less. The old method of subsidy gave us a payment of $247,500 each year—certainly each year in the last few years—and now that amount is reduced to $165,000. As I say, I know the old 35-year statutory agreement expired, but I am just wondering what the new arrangements are and why the amount is so much smaller.

Mr. Winters: The situation is as the hon. member says, Mr. Chairman. The old agreement expired and this is a new agreement on a reduced basis.

Mr. Bell: I take it that the new agreement is not nearly as beneficial as far as the annual subsidy is concerned. If that is the case, may I ask the reason?

Mr. Winters: I understand it is based on the moneys required and it is in relation to the amount Saint John Dry Dock itself spends there.

Mr. Bell: I appreciate the fact that certain conditions are attached to that payment but am I to take it that the reason this amount is so much smaller is that the works within the drydock itself and the works planned over a given period are far less than what has been going on under the old 35-year plan? I am only looking for information because I do not think the arrangement is as harsh as it appears to be on the surface.

The Deputy Chairman: I think I might perhaps point out to the hon. member that I think it is customary to permit, by courtesy, the odd question on the statutory items as we pass them because that is when they come to the attention of hon. members but that it is not to be expected that the minister or his officials will be prepared to answer offhand questions based on statutes which are not involved in the estimates. A debate on the merits of that statute itself, of course, could hardly come under the estimate item.

Mr. Bell: I appreciate what you have said, Mr. Chairman. I wonder whether I could just have given to me an indication of the position or place where I can obtain the information. I have looked up the public accounts and I cannot find the new details there. If you will only tell me where I can go to look for this new agreement, that will satisfy me. I am only seeking information. I am not criticizing or ridiculing anybody.

Mr. Winters: I understand that. I will be glad to give the information to the hon. member.

Mr. Hahn: I have a further question in addition to the one I asked earlier of the minister with regard to the Lulu island bridge. From his answer am I to understand that since the plans had not been drawn to his attention and since he has not been asked to give approval to them and that since the month's date of expiry has passed, the plans are definitely not approved and will not be approved because of the objections that have been raised?

The Deputy Chairman: I think perhaps I should point out to the hon. member for New Westminster that we are now on item 372 dealing with the acquisition, et cetera of works in Newfoundland. Perhaps he did not realize that we had passed the preceding item on which he raised that question, but it has been passed. However, I will undertake to tell him this. I think his question about Lulu island should have been asked under item 382 in any event. When we reach item 382 which deals with matters of policy, his question will be permitted. For orderly debate at the moment I think we should stay with item 372 which deals with items in Newfoundland.

Item agreed to.

373. Nova Scotia, $2,532,000.

Mr. Nowlan: I wish to deal with item 373 for one moment. There are two items there in dealing with Nova Scotia. One is in connection with Tiverton. I know the minister has had some correspondence with respect to it. I am glad to see the item which reads "Tiverton—towards wharf repairs". I hope that "towards" is a euphemistic expression which will result in wharf construction. It is one of tremendous importance to the fishermen in that area. I know the minister has had some correspondence and petitions with respect to it. I know he will give it very careful consideration.

The other matter having to do with the Nova Scotia item is in connection with Yarmouth bar—the bar being a sand bar—that is part of Yarmouth harbour. I wonder whether the minister could tell us just what is going on in Yarmouth harbour. I understand the *Bluenose* has had to interrupt its normal schedule because of some obstructions which are alleged to have been found there. I am told that surveys have been carried on. I presume they are being carried on by the minister's department rather than by the Department of Transport. I wonder whether the minister can tell us at the moment just what the situation is with respect to Yarmouth harbour.

Mr. Winters: As to the first item, namely Tiverton, I may say that I had some correspondence with my friend the hon. member for Digby-Annapolis-Kings. We intended to do some work on the present breakwater. There was a petition from the fishermen asking us to seek another location. We are still investigating that matter as a result of the petition and other representations.

As to Yarmouth harbour, some question was raised as to whether the dredging that was carried out—

Mr. Nowlan: Will that be an emotional question?

Mr. Winters: —was adequate to meet the requirements of the *Bluenose*. She had fouled her propellers somewhere and went to the dry dock to have them looked at and checked. It is not at all clear where this ship fouled her propellers. It is not known whether she fouled them in Bar Harbor or on the Canadian side. However, in order to make abundantly sure that the dredging in Yarmouth harbour was all right we swept the entire area that was dredged. There was one small area—one that was difficult to detect—at which there had been some silting since the dredging took place. It was not of any serious consequence. The engineers of the department are satisfied, as am I, that it was not at that spot that the propellers fouled. But in any event, that particular silting has now been removed. But it was not a serious silting.

Mr. Nowlan: There is no further work that you are proposing to do as a result of this sweep?

Mr. Winters: No.

Item agreed to.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

374. Prince Edward Island, $925,000.

Mr. MacLean: On a previous item I believe the minister said he would make a brief statement concerning the dredging program for Prince Edward Island when this item was under consideration. In addition to that, since I am on my feet I should like to ask him to say something about the program planned for Wood Islands. I presume it is in connection with modification of the harbour so it will accommodate the new ferry which is being built now. Perhaps he might also say a word specifically about Point Prim and Rustico. I notice there is nothing in

the details here concerning any project at Rustico harbour, but what I have in mind was the program that was under way there to make it feasible to build an ocean highway to connect the two sections of the national park.

Mr. Winters: Yes, Mr. Chairman, the hon. member asked first about the program of dredging in Prince Edward Island for the forthcoming year. Listed on page 481 of the estimates book there is shown an amount of $37,000 for dredging at North lake; but in addition to that we propose to carry out dredging in Prince Edward Island at Wood Islands, to which I shall refer again; Launching (outside); Murray river; Panmore island; North Cardigan; Cardigan bridge, Rustico little harbour; Egmont bay; Skinner's pond; Launching (inside); Poplar Point and Basin Head.

At Wood Islands the situation is that the present dock is designed to accommodate a vessel with a 38-foot beam and the new ferry, which is to be in operation perhaps sometime late in 1956 or early 1957, will have a beam of 54 feet and a free board of 6 feet 5 inches as compared with 4 feet, 5 inches for the *Prince Nova* now in operation. The present ramp is placed to accommodate the present boats and would not be suitable for the proposed new ferry.

The traffic has developed in quite a substantial way there and during 1953 a total of 80,486 passengers, 21,072 autos and 6,816 trucks were ferried. There is, therefore, need to carry out some work to accommodate the larger volume of traffic. Construction of a span on the west side of the existing pier and three cellular steel sheet pile piers to protect the berth for the new ferry are contemplated. In addition a new loading ramp will be required as well as wharf lighting and improvements to the water supply system.

At Point Prim the amount that is shown in the main estimates on the same page to which I referred is required to construct an extension to the wharf and an isolated rubble mound breakwater to provide better berthing facilities for the fishing fleet as well as protection from storms while at anchorage in the harbour. It is proposed to construct a 240 foot extension to the existing wharf with creosoted timber cribs 20 feet by 40 feet joined by 20 foot spans; the outer 120 feet to be at a 30 degree angle east from the line of the main wharf. In addition, it is proposed to construct an isolated rubble mound breakwater 90 feet long and 30 feet wide.

At Rustico harbour our plans are not yet in a final stage and we are still planning what we are going to do; that will be given more consideration later.

[Mr. MacLean.]

Mr. MacLean: Will the minister say when it is hoped to have the work at the islands completed? I suppose it will be completed in ample time to accommodate the new ferry.

Mr. Winters: The work is not yet under contract; it is a two year program and we expect to have it completed next year.

Mr. Nicholson: I find that Manitoba and Saskatchewan have been left out this year. I wonder if the minister could explain how it is there is nothing for Manitoba and Saskatchewan in view of the $15,000 last year?

The Chairman: The item that I called was resolution No. 374 which deals with Prince Edward Island.

Mr. Nicholson: I am sorry, I thought you were taking them all together.

Item agreed to.

375. New Brunswick, $2,125,000.

Mr. Bell: I have three questions which, as I indicated to the minister last Friday, I have been saving for this particular item. First of all, I should like to inquire about the large item of $600,000, I believe it is one of the largest items in the estimates for the maritimes, regarding Courtenay bay. What are the ultimate plans for Courtenay bay? Is it just a matter of continuing with the dredging or is there some plan the department has in mind for this large item? There has been considerable discussion in the city at various times regarding the possibility of making more wharves available in the Courtenay bay area, and plans have been drawn up by the board of trade and others in this connection. I wonder if this work is being done with that in mind or is it just routine dredging?

Mr. Winters: This is not done with any future expansion in mind; it is just to take care of the current needs.

Mr. Bell: My second question deals with the Negro point breakwater which I mentioned last Friday. I mentioned that this breakwater had been allowed to deteriorate, and my question is, are we going to just continue to pile rocks on this breakwater every time a hole appears or is there some farsighted program for this breakwater? Should it be extended to Partridge island or should it be cut off shorter than it is? What is the policy regarding this important breakwater which extends across the mouth of the whole harbour?

Mr. Winters: The program is to maintain the breakwater as required. There is no program now before us for expansion. This year we intend to place cover stone to provide repairs to the outside face and the top

to a small portion of the breakwater. Tenders have been received for this work and a contract has to be awarded. We expect that will be done in the near future.

Mr. Bell: May I just ask a question with respect to the practice in public works, for example in a case where you are repairing a breakwater. There is an amount of $25,000 laid aside: would one contract be given for that and would there be a completion date? The reason I ask, Mr. Chairman, is that members are bothered all the time with telephone calls. About once a week a truck goes by with a load of gravel and everybody wonders where it is going, who the contractor is who has another bit of government patronage. I wonder if the minister could state what is done in that respect, because nobody knows what is happening. If there were a general announcement that a contract had been let and there was a date connected with it, the name of the contractor, then I am sure better relations would result and I am sure it would also save the members concerned a lot of trouble.

Mr. Winters: Mr. Chairman, the practice is to invite tenders and award a contract as a result of public tender calls. The department now publishes a list of awards of contracts every month, so it is a matter of public notice and in most, if not all, the contracts we award there is a termination date. The whole thing, therefore, is a matter of public notice.

Mr. Bell: What amount is generally considered to be the level at which there has to be a formal announcement? I appreciate the fact that a lot of small repair work is done which it is not necessary formally to announce, but would an amount of $5,000 or $10,000 be too small to announce?

Mr. Winters: Yes. We do not normally announce public contract awards because we have so many. There is a great multitude of them. I do not think the public generally is interested in them. As a matter of fact we have not found a very keen public interest in the lists we do publish from month to month. But amounts under say $25,000 are not published in the general list of contracts awarded.

Mr. Bell: My third question concerns that old bogey of the Lorneville breakwater. There has been considerable discussion of the breakwater inside and outside the house. I was down to Lorneville last year. I had to get most of my information first hand by looking over the situation. May I review for a minute what has happened, Mr. Chairman? A new breakwater at Lorneville was decided on a few years ago. Plans were inaugurated for the new breakwater and I must say they were quite extensive. The thing looked as if it was going to be most worth while. Through some error in judgment of the engineers either inside or outside the department they failed to take the advice of the local people and I suppose they failed to make all the necessary investigations. I was interested a few minutes ago to hear the minister say in connection with Port aux Basques that everybody knew the difficulties of the harbour; that is, everybody who had experience. This is another example of about the same thing. Everybody in Lorneville knew the difficulties there, the type of ledge and the type of shore that the pilings would be driven into.

In order to bring the matter up-to-date, over two years ago the breakwater caved in and it presented an almost impossible engineering task to do anything with it as it stood. After considerable time and, I suppose, some investigation it was decided —and the minister answered a question to that effect last year—that the breakwater would be built over or sidings put on it. The point I am getting at is, I went down there at Easter and I saw the side that is being put on the breakwater. It is really just a float along the breakwater. I talked to some of the fisherman down there and they feel that as far as the department has gone it is satisfactory but it is not enough. It should be extended out farther. More work needs to be done on the breakwater. I want to know whether this is the end of the work and what is to be the final outcome of the breakwater at Lorneville?

Mr. Winters: Mr. Chairman, this is a breakwater that was constructed I think some time back in 1952 or 1953. When I became minister I learned that there had been an uneven settlement. It was brought to my attention by the hon. member for Charlotte. I called together the engineers of the department and asked them for a report as to why there was an uneven settlement and they told me that although borings had been taken they did not tell the whole story of the bottom there. We then engaged the services of a consulting engineer, Mr. McCulloch, and asked him to make a report on it and tell us what he thought should be done. He did that. As a result of that we have been doing some work on the breakwater.

The report recommended that no additional weight should be put on the bed of the harbour at this place as there are layers of unstable material. In 1954 a light timber pile structure was constructed for wharfage

purposes in the area protected by the damaged breakwater which still fulfils its intended role as a breakwater. That work was completed in December, 1955 and we are waiting to see what further settlement there will be before we undertake any further work.

Mr. Bell: I appreciate the difficulties and I appreciate what the minister has said. I certainly do not know who was the first actually to bring this to the attention of the minister but I can say it was common knowledge of everybody in the maritime provinces about five minutes after it caved in. Whoever was able to get to the minister first, I suppose, was the one who brought it to his attention first. This is a serious situation for the fishermen who are involved in this area. I would simply end by urging the minister to continue the work. This matter should not be treated as finished for one minute. I am not going to question the minister further. I never have been too pressing with the minister about just what ought to be done there because I realize there are a lot of difficulties and I realize that someone who is responsible erred. I am simply asking him to continue to watch the situation down there because it is not satisfactory the way it is and the fishermen are not satisfied today. Everything that went into the original breakwater has gone out the window. There is considerable criticism of everybody from the bottom right up to the minister himself. I leave that with him. I hope he will continue to give it his consideration.

Mr. Brooks: I have a question on the wharves on the Saint John river and its tributaries. The minister probably knows that about 25 years ago those wharves were taken over by the federal government. At that time there was considerable traffic of river boats up and down the river. This has more or less ceased. There is quite a tourist traffic of United States yachts, tugboats and other boats going up and down the river. Those wharves are in a very bad state of repair. As a matter of fact, many of them are practically useless. Have the engineers of the department reported on the condition of the wharves on the Saint John river and its tributaries? I know it is not possible to keep up all the wharves that were used before, but it does seem to me that certain wharves might be picked out so that boats going up and down might know that there was a certain wharf at a certain place that could be used. Possibly this matter could be looked into.

Mr. Winters: I will do so.

Item agreed to.

[Mr. Winters.]

377. Ontario, $5,146,500.

Mr. Hodgson: I should like to ask a question about the dock or wharf that was promised in 1953 at Hawk lake in Haliburton county.

Mr. Winters: I was not aware that anybody had promised a wharf there, but the situation is that the necessary lots have been purchased by the Department of Public Works for the construction of a wharf. We have recommended to treasury board to authorize the construction of the wharf during this coming summer. There is not a specific item in the estimates because a large amount of money is not involved and the work can be done from the general vote for miscellaneous works.

Mr. Hodgson: It will be built this summer?

Mr. Winters: Yes.

Mr. Cardiff: Last Friday I asked the minister about some work that was being done at Bayfield and at that time he did not have the figures before him. Can he tell me what has taken place?

Mr. Winters: Mr. Chairman, at Bayfield we have a project under way in the harbour to extend a marginal wall. Mr. Cassel had two buildings on the site of this work, a shed and an old ice house. He did not hold a licence of occupation and paid no rental. Last fall Mr. Cassel removed the buildings from the site so that construction could go on. He is making application to the Department of Transport for a licence of occupation of the site where his buildings existed before. We have already stated that we would have no objection to his getting such a licence after the work is completed.

Mr. Cardiff: Do you know to what extent the work has progressed?

Mr. Winters: I am told it is somewhere in the order of 40 per cent completed.

Mr. Cardiff: During the last several years requests have been made for some repair work to be done at Port Albert. So far as the Dominion of Canada is concerned I do not think it is very important but there is a natural harbour there. In its present condition boats are unable to get into it because of the sand bar which lies across the mouth of the river, and requests have been made for a short extension of the pier. The pier is now almost covered with sand and I am told that this is an exceptionally good place for boats to run under cover in case of a storm. The fishermen fish out of that port and this work is extremely necessary as far as they are concerned. It would not cost

a great deal of money but this improvement would be of great advantage to the fishermen who fish in lake Huron.

Mr. Nicholson: Mr. Chairman, item No. 377 which deals with Ontario also lists Manitoba and Saskatchewan following which there is a zero. I wonder if the minister could explain why the item shows over $5 million for Ontario and nothing for Manitoba and Saskatchewan this year. Could the minister say whether requests for an appropriation under this item have been received from various places in Manitoba and Saskatchewan, particularly from Churchill, Beaver lake and some of the northern lakes?

Mr. Winters: Mr. Chairman, these items are intended to provide funds for dredging that is required. The hon. member should be gratified that no dredging is required in Manitoba or Saskatchewan for which funds were necessary in this vote.

Mr. Stanton: Mr. Chairman, could the minister inform me what is the nature of the construction of the wharf at Rockport?

Mr. Winters: What is the nature of it?

Mr. Stanton: Yes.

Mr. Winters: I do not know what the hon. member means. We have no project at Brockville.

Mr. Stanton: I am sorry. I said Rockport, not Brockville. An amount of $45,000 is shown in the estimates for Rockport. The details can be found on page 484, about the middle of the page.

Mr. Winters: The amount of $45,000 for Rockport is required for the construction of a wharf. The existing wharf serves the general public and the Department of National Revenue. The congestion at the wharf is very great. The public and customs traffic must seek landing space at neighbouring private wharves. As a result of this customs officials have to leave their offices and go to the private docks concerned in order that the boats can be properly examined. It is the intention to construct a new wharf for public use and to turn over the existing wharf for the exclusive use of the customs and excise division of the Department of National Revenue.

Mr. Stanton: Is it the intention of the department to invite tenders for that construction?

Mr. Winters: Yes. Tenders are due on the 2nd of May.

Mr. Stanton: I understand that tenders have already been invited?

Mr. Winters: Yes, that is right.

Mr. Stanton: Mr. Chairman, could the minister inform me if there have been any further conversations between the customs at Gananoque and the department with regard to enlarging the wharf at Gananoque for the convenience of the customs?

Mr. Winters: There have been discussions but the matter has not yet come to my attention for any action.

Mr. McBain: Mr. Chairman, I wish to make a few observations about the harbours on the north shore of lake Erie that border along the riding of Elgin. I am very pleased that about a year ago the minister found time to make a trip to visit the harbour at Port Stanley. I am sure that he made observations of the conditions of the inner harbour there at that time. I hope that some of the work in the inner harbour, which is provided for in this vote, will take place this year. The vote last year was $502,000 and this year it is $300,000. Could the minister tell me how much of this has been carried over from last year and how it will be spent?

Mr. Winters: It is expected that when the accounts are in we will find that out of last year's vote we spent a total of $224,500.

Mr. McBain: Was that for pier improvement work entirely?

Mr. Winters: The contract was in the amount of $325,420 with the Cementation Company (Canada) Limited. Approximately 45 per cent of the work on the timber substructure and 5 per cent of the concrete super-structure have been done at a cost of $129,500.

Mr. McBain: Is it expected that they will complete that contract this year?

Mr. Winters: Yes.

Mr. McBain: Could the minister tell me if provisions had been made for improvements to the east wall of the inner harbour?

Mr. Winters: As my hon. friend has said, the total amount voted is $300,000. That will be applied to complete the contract with Russell Construction Limited for dredging, $160,000, and also toward the contract with the Cementation Company for repairs to the west breakwater, $140,000, making a total estimated requirement of $300,000.

Mr. McBain: Mr. Chairman, I was in consultation with the minister's staff a few weeks ago. I hope I was properly informed at that time that there was an item provided for the east wall breakwater in the inner harbour.

Mr. Winters: Yes. I am told that we have also provided for the construction of 150 feet of the wall inside the harbour.

Mr. Pallett: I notice that under this item there is provision for the expenditure of $800,000 for the harbour at Port Credit. It may be of interest to hon. members to know that this rounds out the transportation facilities in the county of Peel, my riding. I suggest that this riding may be unique in that regard. In the one riding we have the four modern means of transportation in considerable quantity. We have the Malton airport, which is one of Canada's better known methods of facilitating air transportation; we are crossed by the two transcontinental railways, with many lines; we are traversed in many places by the best highways in Ontario. Now this harbour is going to provide us, we hope, with a very satisfactory means of transportation by water.

In this regard, I hope the minister will be sure that this harbour, when completed, will be a model harbour. Port Credit is a model community in other regards, and it would be most fitting that the harbour take the aspect of the village of Port Credit and the rest of the county and fit in so that this will become a little jewel on the great lake of Ontario.

This is 1956, and there is a wonderful opportunity to make this harbour a showplace. It has the best natural shelf on the great lakes. It is located between those rival cities of Hamilton and Toronto. There is every opportunity to show to the people of the world what the department can do in the spending of money in this modern age. I urgently urge the minister to be sure that this harbour fits in with the general tone of the community and that it will be something to which our children will be able to point with pride as an example of modern architecture, modern construction and a modern approach to a harbour.

When the harbour is completed, there is something that might be considered by the minister. We are rather jealous of our local rights in our county, and we would like some day to have a harbour commission administering the harbour. But I shall leave that until a future time.

As far as questions are concerned, I wonder if the minister would tell me how much was actually spent last year and how much it is actually proposed to spend on the harbour in this fiscal year.

Mr. Winters: The amount spent last year was $300,000. This year we expect to spend $800,000.

Mr. Charlton: I should like to point out to my hon. friend from Peel that there is another harbour probably just as important as Port Credit, and that is Port Maitland. I wonder if the minister could give us some idea of what has been accomplished there and how much of last year's appropriation was spent.

Mr. Winters: Last year $5,000 was spent. This year we estimate that $29,000 will be spent.

Mr. Charlton: Most of the money that was provided last year was not spent, and the amount for this year is not going to be increased in compensation for the amount that was not spent last year. I am sure we appreciate even this small amount being spent in Port Maitland, because I wish to point out that it could be a very important port. The Grand river empties there. It could be an important port on the great lakes.

I know the minister has been asked to do something about the small wharf at the town of Dunnville to accommodate tourist boats and yachts from the United States and other parts coming into that little harbour and going up the Grand river. Each year they hold an annual meeting there, which probably 40 or 50 United States yachts visit, and there is practically no accommodation there for them when they wish to tie up. I wonder if the minister would give consideration to doing something, even in a small way, to make it possible for these United States boats to be tied up there in a respectable way at least.

I wish to thank him for the two shore lights that were put in at Nanticoke Creek last year to aid the fishermen.

Mr. McBain: As my colleague, the hon. member for Peel, has dealt with the possibilities of Port Credit harbour, I feel I should continue a little further and point out the possibilities of two of the finest harbours on the north shore of lake Erie, Port Burwell and Port Stanley. These harbours are served by excellent rail facilities connecting the five major railroads from Port Stanley to St. Thomas and London. I refer to the New York Central, the Chesapeake and Ohio, the Wabash, the Canadian Pacific and Canadian National Railways. These are all main line railroads. Port Burwell is served by the C.P.R. and connects with the main lines of the C.P.R. and C.N.R. at Woodstock.

By motor transport, these ports are served by two excellent highways connecting eventually to No. 2 and No. 3 highways and also the dual highway No. 401.

In this area big industrial expansion is inevitable. I would ask the minister to give consideration to an over-all planning program so that these harbours of Port Stanley and Port Burwell will have improvements and

extension work completed to meet the needs of industry that may desire to locate in these areas.

The fuel business, in both oil and coal, is expanding rapidly at Port Stanley. I would refer to one company alone that has storage capacity at the present time for 27 million gallons of oil; and an additional tank is planned this year for a capacity of five million gallons. Last year Port Stanley imported over 200,000 tons of coal. We have rapidly expanding grain transit business there. This year they expect to have, I believe, 26 silos for carrying a capacity of 200,000 bushels. The minister visited this port last year. From this port left the first boatload of soybeans ever exported from Canada to England.

We also have here a lift bridge. I am sure the late Hon. Mitchell Hepburn, who was then premier of Ontario, had foreseen the future expansion of Port Stanley, along with the federal Department of Public Works. They jointly provided a lift bridge for future expansion at Port Stanley. When a storm occurs the boats have to go up under the lift bridge and tie up to willow trees. Sometimes the harbour becomes so rough that they cannot take a chance—I am referring especially to the fishing boats—to remain in this harbour. I hope the minister will give consideration to a little improvement above the lift bridge to provide somewhat better accommodation for these boats to tie up when storms arise.

Mr. MacKenzie: Before this item passes I should like to inquire about the progress that has been made with respect to the repairs and improvements to the wharf at Sombra on the St. Clair river. This contract was awarded last year and the work was never commenced. I wonder whether the contract is to be proceeded with at an early date. I ask the question because it is quite an important harbour and the delay is causing a good deal of embarrassment.

Mr. Winters: The contract has been awarded, the work has been started and we expect it to go forward this year.

Mr. Anderson: I should like to ask the minister what the department has in mind for the harbour at Port Dover this year. Some weeks ago the engineers from London were down there. It is proposed to establish a ferry service to Erie, Pennsylvania, this year. In order to do that a certain amount of dredging work has to be carried out. I think soundings have been taken and perhaps estimates have been drawn up but I have had no inkling as to what the department has in mind.

Mr. Winters: Nothing has come forward for my consideration but I will be glad to keep in mind the remarks of the hon. member.

Mr. McBain: Is the minister in a position now to answer the question I asked this morning regarding the dredge that sank at Port Stanley?

Mr. Winters: Dredge 117 sank at the entrance to Port Stanley harbour while at work there in May, 1952. Subsequently several attempts were made to raise it. In 1954 it was partially raised and moved into an abandoned ferry slip on the west side of the west pier at Port Stanley. It is not intended to replace this dredge. Since 1953 another departmental dredge has been assigned to work in the harbour of Port Stanley and other harbours in the area. Dredge 117 has been sold through Crown Assets Disposal Corporation.

Item agreed to.

378. Alberta and Northwest Territories, $120,000.

Mr. Johnston (Bow River): I should like to ask the minister a question with regard to this item of $120,000. I notice on page 485 it says "item not required for 1956-57". I wonder what progress is being made there and to what extent development is taking place.

Mr. Winters: This item is required to extend the existing bank protection at Waterways approximately 160 feet upstream. We have had some problems acquiring property but we expect to go forward and spend at least $10,000 this year.

Mr. Brooks: I notice there is money being spent at Aklavik in the north. I thought that town was being moved to another site. If so, why are we spending money there?

Mr. Winters: This is for the wharf at the new site.

Item agreed to.

379. British Columbia and Yukon, $3,493,500.

Mr. Simmons: Is it proposed to proceed with the construction of the seaplane float at White Horse this spring in line with representations made by the White Horse board of trade last year?

Mr. Winters: I think that is a matter that still has to be cleared with the Department of Transport. I am not sure that they have asked us yet to build a seaplane float there.

Mr. Green: In the details to be found on page 485 there is reference to a vote for a fishing harbour in False Creek at Vancouver and also to the sea wall around Stanley park in Vancouver. Can the minister tell us

whether the first vote will complete the fishing harbour? I am also somewhat concerned because the vote for the Stanley park seawall indicates that it will complete the work. My understanding is that the wall is far from finished and I am wondering why the words "to complete" appear in the vote.

Mr. Winters: Mr. Chairman, with respect to False Creek, the amount in the estimates is towards completion of the project. It will not finish the project, which it is estimated will cost somewhat more than the amount shown in the estimates.

Mr. Green: When will that harbour be completed?

Mr. Winters: We expect that it will be completed in the early summer of 1957. With respect to the other project, the sea wall at Stanley park, the words "to complete" appear here because we have notified the board of park commissioners of Stanley park that we will go forward with this work this year but that hereafter it will have to be regarded as something beyond the scope of our responsibility.

Mr. Green: Why has the department decided now to stop that vote? An amount has been voted for quite a few years and the project was undertaken in the first place to complete a sea wall around Stanley park. That work is far from finished, and I do not understand why the dominion government should now withdraw its support.

Mr. Winters: There has been no question of that. The sea wall was undertaken to prevent erosion because of navigation. This will complete the protection of that area where erosion can be considered to be attributable to navigation.

Mr. Green: What was the reply from the city to the proposal that the dominion would not pay anything more?

Mr. Winters: I do not recall that we have had a specific reply. I understand they accept the position as being a reasonable one because our job is limited to protection against erosion where the erosion is attributable to navigation or where it endangers navigation or where it is attributable to some federal government structure. When we get outside the terms of these definitions then the erosion is not a responsibility of ours within the framework of this department.

Mr. Green: There is navigation on all sides of the park that are bounded by the sea, and I would hope that the department would look into the situation again. I do not know just how they decide that, at a certain point, navigation does not cause erosion. There are boats operating on all sides of the park.

[Mr. Green.]

Mr. Winters: We have looked into this very carefully, Mr. Chairman.

Mr. Herridge: Mr. Chairman, on the departmental administration item I urged the minister to look into the situation at Arrowhead where the Columbia enters the Arrow lakes owing to the urgent necessity for the building of a breakwater and necessary dredging to turn the direction of the river. I am not going to repeat the remarks I made at that time. They are in *Hansard*. However, I should like the minister to tell the committee if he will have this matter thoroughly investigated. It is a most important question to the people who live along the Arrow lakes and to some people who live in the constituency of the hon. member for Okanagan Boundary. While I am on my feet, I want to bring to the minister's attention the fact that in 1930 there was a rock and brush mattress built near Burton in the narrows. It was built because the department built a dam and turned the direction of the river and on that account occasioned erosion of the east bank of the river thereby washing away farm land. That mattress cost several thousand dollars and it has remained in fairly good condition up to the present time. But when I was going down in the boat recently I noticed that one corner of the mattress has now been lifted. The expenditure of two or three hundred dollars will repair that mattress and save a great deal of damage that may occur in the future.

Another matter I wish to mention is this. I am going to ask the minister if he will inquire into this question of straightening the Duncan river and removing log jams. There was a practice some years ago, I understand, of turning $1,000 or $2,000 over to the game department of the provincial government and letting the matter go at that. I think that was a most unsatisfactory arrangement. I should certainly like him to have his officials look into the arrangement at the present time. In making that statement I am expressing the opinion of the long-time residents of the district. I am going to conclude by saying this, Mr. Chairman. I may say that I do not take up the time of the house at great length on the estimates. I will focus the minister's attention on the importance of our problems by telling him that the Kootenays are the Garden of Eden where there is the highest primary and industrial production per capita in Canada and the greatest possibility for expansion per capita owing to the vast wealth of natural resources. Because of these conditions I think special consideration should be given to the needs of this district.

Mr. Hahn: In the estimates at page 485, in the details I notice a reduction of some $60,000 in the cost of Fraser river dredging and in the item "Fraser river—towards improvements" a reduction from $869,000 to $324,000 this year. I wonder whether the minister will explain the reasons for the reductions.

Mr. Winters: Dealing first with the questions raised by the hon. member for Kootenay West, I may say that the Arrowhead chamber of commerce recently requested an investigation to determine the cost of construction of a diversion wall near the Canadian Pacific railway track at Arrowhead. An investigation was carried out and the work is estimated at $500,000.

Mr. Herridge: That is absurd.

Mr. Winters: The effectiveness of the wall is very doubtful as regards relieving erosion problems. On March 15, 1956 the chamber of commerce were advised by the deputy minister that this project would not be undertaken. This seems to be a natural erosion problem and is somewhat connected with the flooding of adjoining property. A further investigation is now being carried out by the district engineer as to ways and means other than the proposed diversion wall which could be effective in this case.

On the matter of snagging at the Duncan river I may say that the situation there is not quite as represented by the hon. member when he said that the Department of Public Works annually has turned money over to the provincial government to do snagging on the upper Duncan river. On the upper reaches of this river, when it has not been possible to do the snagging with our own forces and equipment, contracts have been given to do the work. There is no record of the Department of Public Works ever providing money to the provincial government to do this work. Snagging on the upper Duncan river is done by contract when our forces are fully committed elsewhere.

As to the Fraser river, we have had large votes here last year and in preceding years but we did not spend the amounts that were provided. Last year one item was $310,000. We have not been able to spend the other amount provided. This year the funds being requested are in line with the work we think we can do. We do not propose to leave anything undone there.

Mr. Hahn: How much was spent last year on the Fraser river development itself? You say you did not spend all of the $310,000 last year. How much did you actually spend last year?

Mr. Winters: Mr. Chairman, I meant on the other item of $869,000. We did in fact spend the $310,000. Against the $869,000 we spent a total of $545,000.

Mr. Hahn: And you are anticipating cutting that item down to $324,000 in this ensuing year?

Mr. Winters: That is right.

Mr. Hahn: Where do you expect to bring in the special economy?

Mr. Winters: I can tell the hon. member what we have in mind there. We have four projects which total $324,000: To complete the Garry point bank protection, $192,000; Lulu island bank protection, $66,000; operation of Fraser river model, $50,000; and for our annual survey $16,000 for a total of $324,000.

Mr. Hahn: As to the river itself, I was interested to hear the minister's response to the hon. member for Vancouver-Quadra when he said that the only place where a sea wall is built is where the erosion is attributed to navigation. That brings me again to the question that I raised the other day with respect to the region on the Fraser river known as Canoe pass. That is a river channel and it is used today by river boats and other boats. I would ask him to have some examination made into that region in order to discover whether or not it would be possible to complete the rock work that needs to be done in that particular region. I understand there is a length of only about 1,500 feet that has to be completed. I would also ask him to have the matter examined into to see whether it could not be done.

Then I wonder whether the minister is in a position to answer the question that I raised last Friday on the estimates when I was referring to the breakwater at White Rock. At that time I indicated that the breakwater had been built in 1953, although actually it was built in 1954. He thought it was built in 1902. Would he care to elaborate at this time?

Mr. Winters: As to White Rock, a new breakwater 200 feet long was completed in 1953. This new breakwater was built to provide facilities together with floats and so on not only for existing navigation but to provide also for future needs. It has been under observation ever since. Our latest reports are that the greater local traffic which was expected has not yet fully materialized. We are holding the extension in abeyance until a better picture can be obtained as to the use to which the facilities are to be put in the future. Our officials report that there

exists sufficient protected area behind the breakwater to accommodate the boats using the facilities at present.

Mr. Hahn: Just while we are on that topic, may I say that I appreciate the minister's point of view and the fact that his officials would indicate that there is sufficient breakwater there. But if he asks them to have another look at the situation, I think they will probably discover that the reason there is sufficient is that the boats which should ordinarily use that breakwater today are moored at Blaine and at the cities of New Westminster and Vancouver. I feel that the expenditure we had on that occasion of some $152,000 is one that is completely lost unless it can be of some use to the people in the area. I am satisfied that the people in the district feel otherwise about it. I do not understand the attitude of the government with respect to that particular breakwater, in view of the fact that it was built for a purpose and that it apparently is not being used for that purpose. Now, I should like the minister to have his officials examine into the reason why it is not being used. I am satisfied they will discover it is not being used because it is useless.

Mr. Herridge: I just want to say I was pleased to hear the minister's explanation and to note he is having the matter investigated further. I can see now there is a misunderstanding and that is the reason for the vast discrepancy between the figure given by the minister's engineers and the figure I suggested. They have in mind a lengthy breakwater, and I am very glad to hear the minister is going to have the matter investigated further. I think it is definitely the responsibility of the department because the breakwater and dredging are necessary to prevent the silting up of the approaches to the wharves and the silting up of the navigation channel, as well as to prevent the inflow of large ice floes in the spring which make navigation very difficult in the early part of the year.

I mentioned also that I never like to be wrong. I said that, as far as I knew, that money was turned over to the provincial government. I was not sure. I do know the provincial government employees did the work, and I am quite correct in that.

Mr. Hahn: I did not get a reply from the minister with respect to the protection that is required at Canoe pass. I was wondering if you would have the matter examined in so far as the effects upon navigation are concerned on the Fraser river between Westham island and the mainland, and ascertain whether or not that 1,500 feet of rock work could be done in the ensuing year?

[Mr. Winters.]

Mr. Regier: Mr. Chairman, there are a few matters, some of which I have mentioned on other occasions and not received replies, about which I should like to ask the minister now. Possibly I did not receive a reply because of the large number who were seeking information. But I have noticed the great ability of the minister's advisers today to supply even minor details, so I should like to list a number of items. I believe the minister will agree with me that the government has often advocated the decentralization of industry. I know it is only natural for the manager of any business or department of government to resist any further decentralization because the natural growth of the department always enhances the stature of the office held by the individual concerned.

In connection with this matter of harbour control and harbour management I am wondering whether the minister has ever handed out any advice to his senior engineers to see whether or not it is possible to have a little more decentralization. He have the harbours at New Westminster and Vancouver and they are developed to almost as high a degree as it is possible to develop them, yet most of the money that is being spent seems to be going into the further development of these harbours and very little into the development of any harbour facilities—this includes dredging—in the areas around those two major centres. I cannot see why the New Westminster harbour board, if it is unwilling to grant adequate representation to the surrounding municipalities like Coquitlam over whose waters it exercises authority, should not have the authority over the Fraser river east of New Westminster taken out of its hands. The section of the river west of New Westminster has already been removed from its hands and we have the north arm harbour board authority. I do not see why New Westminster, if it is unwilling to recommend the development of the Fraser river to the east of the city, should continue to exercise authority over that area.

Then, we also have the Coquitlam river which used to be used rather extensively. However, I suppose because of the conditions in the hungry thirties the cleaning out of the mouth of the Coquitlam river came to an end and its usefulness has been gradually disappearing. Now, the mouth of the river is in such a condition it is causing a flood menace to hundreds of homes which have, over the past several years, been seriously affected by the flooding of that river. I know that the municipal council has at times made representations to the government to again begin cleaning out the mouth of that river.

Then, I should like also to put in a plea for more cleaning out of Burrard inlet. A lot

more dredging would serve a very useful purpose there. There is some going on I believe in connection with the loading of oil tankers there. However, the city council of Port Moody has on numerous occasions asked that something be done to restore the usefulness of its harbour. They had a long wharf, about half a mile long, and again possibly because of the need for saving money that existed in the thirties it began to be neglected. Well, once the minister's department neglects the upkeep of wharves or dredging, then the owners of vessels have to begin to ignore those places as ports of call. The usefulness of those places is then gone. Some years ago the Port Moody council put in a very reasonable request. They did not ask that the whole wharf be replaced, but asked for a wharf about half as long. They thought, for the time being, that would serve the needs of the fishermen and others in the city. Instead of that the minister's department offered to hand over the wharf to the city council, and they could do with it as they saw fit. This was a rather ill-advised offer because it would cost a lot of money to remove the wharf. I believe the department has now spent a considerable amount of money to get this danger to navigation removed. However, they are doing nothing about replacing it.

Then I believe representations have been made over the years by North Burnaby for some pleasure craft facilities on the shores of Burrard inlet. We want to develop a park there and there is a considerable number of people who would like to spend their spare time in water sports. Again, so far I have not heard of any progress towards the provision of some pleasure craft harbour facilities in the Burnaby section of Burrard inlet. If there has been any progress we have not been advised, and I know the North Burnaby board of trade would be very grateful to the minister if he could now inform us that some action there is contemplated.

I should like also to have the minister explain why last year we voted $5,227,200 for British Columbia and the Yukon under this heading and this year only $3,493,500 or $1,733,700 less in the year 1956-57 than was voted in 1955-56. In reply to the hon. member for New Westminster the minister indicated that on one single item at least this year he did not intend to ask for more money than he actually planned on using. However, that is not a new feature of the minister's department. He has been following that policy, I believe, ever since he became minister. I can only take it that the minister is actually planning a considerable reduction in expenditures in the province as a whole. I am not thinking particularly of my own riding. I feel this is very poorly timed, and that British Columbia's needs are growing by leaps and bounds. Industrially at least the needs should be made obvious to the department and the amounts for the province of British Columbia should be greater this year than last year. I would certainly like to see the department keep pace with the growing development of the province.

I raised a number of points. To repeat them, there are the wharf facilities in North Burnaby, the wharf and the dredging at Port Moody, and this matter of the New Westminster harbours board having authority over a section of the Fraser valley that is not within the city limits of New Westminster and in which they cannot possibly have any interest whatsoever except to hinder that section of the Fraser river in the interests of the commercial establishments in New Westminster itself.

Mr. Barnett: Mr. Chairman, if the hon. member for Burnaby-Richmond wishes to deal with some of the aspects with which the hon. member for Burnaby-Coquitlam has been dealing, I would be glad to have him go ahead.

Mr. Goode: I appreciate the hon. member giving me the floor. Perhaps the minister should know something about this wharf in North Burnaby. At one time I represented that riding. It was agreed with public works, as the hon. member for Burnaby-Coquitlam knows, that something would be done by public works in allotting enough money to permit the wharf to be built, but there was a catch to it—this was before the present minister's time—and that is why I have to take time to explain it. The main line of the Canadian Pacific runs right through between North Burnaby and where the wharf is proposed to go. We tried as best we could to get the board of transport commissioners to give us a by-pass from North Burnaby to the suggested wharf but the board of transport commissioners refused, and for that reason no money was appropriated at that time. I think the situation is exactly the same in 1956.

Mr. Barnett: Mr. Chairman, earlier I had intended to raise one or two points in connection with the project to remove the pinnacles of Ripple Rock that were discussed earlier under the administration item, but the Chair at that time suggested it should be deferred until this point in the proceedings.

I draw to the attention of the committee the fact that at the outset of the discussion of this branch the minister did make a progress report on this project. I thought it was appropriate that on the day he did that I had received a copy of the Campbell River *Courier* with a rather fine aerial photo of the narrows

at the point where this work is going on, showing the construction camp and also showing something of the white water over the top of the rocks with the tide going out. In view of the fact that this is a project of not only national but also of international interest I am sure some hon. members of the committee will be interested in having a look at this photo, and I shall be glad to show it to them.

While, as I say, it is primarily a project of national and even international significance, being in the main traffic artery of transportation on the west coast, nevertheless it does happen to lie somewhere in the riding of Comox-Alberni. For that reason there are one or two points in connection with it that I should like to raise at this time. I should like to point out to the Minister of Public Works that I did raise with his colleague, the Minister of Fisheries, a matter which is of some concern to some local residents, particularly those of Indian extraction, in respect to the effect this explosion, when it takes place, is going to have upon the stocks of fish in the area.

If the minister is in a position to do so I should like him to give us some indication of the form of co-operation that is going on with the Department of Fisheries to ensure that there will be the least possible damage to any stocks of migratory fish, salmon in particular, at the time the explosion takes place, and as to whether there is some consultation on the effect of the explosion on the local stocks of groundfish in that area.

The other point on which I should like to have some report from the minister, if he is in a position to give it, is as to the outcome of an accident to a light plane which occurred, as I am informed, at the time the power line was being strung across Seymour narrows by the British Columbia Power Commission to supply power to the construction camp. According to the report published at the time, this light plane became entangled in the cable while it was in the process of being strung across and was catapulted into the water. Has the minister any report on the outcome, and whether the department was in any way at fault in the accident? I would appreciate having some information on these two points.

Mr. Winters: Mr. Chairman, as to the fishing aspects of the removal of Ripple Rock, there is close co-operation with the Department of Fisheries. We are working with their officials at all stages, even to the point where we shall endeavour to set off the blast in co-operation with them at a time when it will do the least harm to the fisheries.

With respect to the matter of the light plane hitting the cable, that was a cable strung by the British Columbia Power Commission. I understand the matter is under litigation between the commission and the owner of the plane.

Mr. Barnett: Apart from the matter of Ripple Rock there are one or two other matters under the British Columbia vote that I should like to comment upon. First of all, I should like to assure the minister on behalf of the citizens of Alert Bay that they will appreciate the fact that there is a vote in this year's estimate toward starting an improved small-boat harbour there. The same appreciation will be felt by the fishermen in the Deep Bay area, who will be making use of the facilities that are proposed there, as well as the extensions that are contemplated for the Comox harbour area. At this point I would bespeak the very sympathetic co-operation of the Minister of Public Works in the problem which the Comox-Courtenay-King salmon club has at this time, arising out of their long occupancy of a certain area adjacent to the Comox wharf.

While I am on my feet, Mr. Chairman, I should like to suggest to the minister that I hope he will not forget in his planning and engineering some of the other projects which, to my way of thinking, are necessary before an adequate program of harbour facilities is provided over this large area of the British Columbia coast. I might mention particularly at this time the need which will arise before too long for facilities at Sointula on Malcolm island, and also draw to his attention the project which I know has had some investigation for providing an adequate breakwater for a small-boat harbour at Sayward-Kelsey Bay. Then on the west coast of Vancouver island where nature, rather surprisingly, has provided more and better natural harbour facilities than on the east coast of the island, there are a couple of points where I think further development would be warranted. Such development could include a project for additional docking facilities for the fishing fleet in the upper harbour at Ucluelet and also for better harbour facilities at the town of Zeballos on the west coast of Vancouver island. To my way of thinking these are projects which should be receiving serious consideration by the Department of Public Works.

In conclusion, Mr. Chairman, I would appreciate it if the minister would indicate to the committee in respect to the project at Alert Bay just what his department considers is involved in the project that is to be initiated. The current vote of $100,000 is toward a boat harbour. I think it would be appreciated if the minister could indicate to us what will be involved in this project by the time it is completed.

Mr. Winters: Mr. Chairman, the proposed work at Alert Bay consists of dredging, construction of a pile breakwater, construction of a floating breakwater, construction of 15,000 square feet of floats, construction of a wharf having an approach 100 feet long with a wharfhead 30 feet by 30 feet. Those are the general items we have in mind for Alert Bay.

Mr. Regier: Mr. Chairman, in view of the reply of the minister I would like to ask a question concerning this item. Will the minister tell us if in his opinion the needs of British Columbia are being met or is it the over-all policy of the government in view of the growing national need for capital expenditure in the coming year that almost $2 million less is going to be spent in British Columbia this year than was spent last year. Is no one asking for any development? The item for Ripple Rock takes $1 million out of the $3,500,000 allotted for this year.

Mr. Winters: Mr. Chairman, I am sure the hon. member recognizes the fact that there is a reduction this year as compared with last year in every province. In large measure this is due to our policy of trying to work closer toward the full expenditure of the money we have in the estimates.

I do not think the hon. member should judge the program of work we have in mind entirely by the amount of money being requested here. If the hon. member will refer to the details on page 485 he will see that whereas for last year we requested votes to carry out 10 projects, we are seeking funds to carry out 20 projects this year. Although the amount of money shown is less, we propose to undertake twice the number of projects.

Item agreed to.

Generally—

380. Repairs and upkeep, including reconstruction and replacements for the maintenance of services; to provide for wharf repairs at Ste. Angele de Laval, Quebec, and to authorize commitments against future years in the total amount of $420,000, no new works to be undertaken, $3,185,000.

Mr. Brooks: Would the minister give us a general statement on this item, Mr. Chairman, because it seems rather ambiguous to me. For instance, in the explanation on page 486 it says:

Repairs and upkeep, including reconstruction and replacement for the maintenance of services, and to provide for wharf repairs at Ste. Angele de Laval, Quebec, no new works to be undertaken.

I do not see any mention of Ste. Angele de Laval, Quebec, in the particular items, and I notice that every province is mentioned. For instance, $500,000 will be voted for Newfoundland and there will be a commitment authority for $100,000. The same applies to every other province; there is a certain commitment and a certain vote and the amounts are exactly the same as they were last year. Would the minister give us some explanation regarding this item in general?

Mr. Winters: As my hon. friend said, the details of the item are found at page 486. In particular I think the hon. member referred to Ste. Angele de Laval, which is really a carryover of an old agreement. The moneys normally were carried in the reconstruction vote. The treasury board asked that they be specifically referred to both in the item on page 62 and in the item on page 486. They have been carried in that way for 2 years.

Mr. Brooks: Would the minister explain the commitment authority of $100,000 for Newfoundland? I take it the department has already promised to undertake some work in Newfoundland to that amount. How do you arrive at the amount of $500,000 which is to be voted? Is that just an estimate or a guess? I notice it is the same as last year.

Mr. Winters: The explanation of that point, Mr. Chairman, is that we can spend up to $500,000 in Newfoundland but we have authority to commit beyond that sum to the extent of $100,000. Of course we have to come back to parliament to get the money to discharge the commitment.

Mr. Brooks: I take it that you can spend $600,000 in Newfoundland?

Mr. Winters: Yes.

Mr. Brooks: And the same in the other provinces?

Mr. Winters: We can spend $500,000 and we can commit an expenditure of $100,000 but we cannot actually expend that amount without coming back to parliament.

Mr. Barnett: Mr. Chairman, the question in my mind in this connection is why the commitment authority is doubled in the province of Newfoundland in relation to that which is allowed in any of the other provinces. What is the particular reason for that?

Mr. Brooks: Would it be the Port aux Basques ferry harbour?

Mr. Winters: That is right. It is because of the fact that Newfoundland is a relatively new province under the terms of confederation and we are still learning of projects that are required to bring the scale of public services up to those obtaining in the other provinces of Canada. We expect we will need

a little extra leeway there in being able to commit forward expenditure, but I say again that we have to come back to parliament to get the vote to spend the money.

Item agreed to.

Development engineering branch—
382. Branch administration, including district staffs for highways and bridges, and related expenses, $861,997.

Mr. Johnston (Bow River): I think this is the item under which the minister asked me to bring up my problem. I wish to refer to the bridge which was constructed at approximately mile 4 in Yoho park. Before I begin to say anything about this, let me ask the minister a question. Does the responsibility for this bridge rest with this department or with the Department of Northern Affairs and National Resources?

Mr. Winters: The responsibility is that of the Department of Public Works.

Mr. Johnston (Bow River): I understood from information I had that the Department of Northern Affairs and National Resources had something to do with this project in its beginning.

Mr. Winters: They did, that is true; but since that time the responsibility for the work on these bridges has been transferred to the Department of Public Works.

Mr. Johnston (Bow River): What I wish to point out to the minister on this occasion is that I asked a question some time ago concerning the unsatisfactory condition of this bridge. The answer I got to the question was not very satisfactory. Then when I communicated with the department, the deputy minister was good enough to go into it in more detail and give me practically all the information that he had available.

It is rather unfortunate that such a mistake was made in this regard. When I speak of a mistake, I preface my remarks by saying that I thought probably some of the responsibility for this mistake was not entirely that of the present minister but of the Department of Northern Affairs and National Resources when it first started. It seems rather odd, when a department is putting in a bridge that is going to cost about $200,000, which is a rather large amount of money, that the proper engineering development was not carried out.

In part of the information I received from the department—and they do not try to belittle the facts at all—they say it was unfortunate that soil borings were not taken prior to its design, so the class of material underlying the gravel layer was not established.

[Mr. Winters.]

It is almost inconceivable to think that any construction company or any department that has to do with the building of bridges would attempt to build a bridge over a river such as the Kicking Horse without taking thorough borings to find out what the soil condition was before that bridge was started. When I asked whether there was a movement in the bridge, the answer was that a movement was noticed in the pier under the heavy construction traffic which was then required. An immediate investigation was undertaken, including complete soil borings but that was after the bridge was built.

There again I say it was rather odd that the bridge had to be completed over such a turbulent river as this before it was found that there were no proper engineering practices carried out and no soil tests made. As soon as they noticed the movement, they say—

> . . . no further work was undertaken with the exception of some riprap around the abutments as a normal maintenance procedure.

In the last paragraph they say:

> It is regrettable that preliminary soil borings were not taken prior to the design of this structure.

It was regrettable to the extent that it cost us for that mistake over $54,000. Then they go on to say:

> If these had been done, steel piling would have been included in the original construction. Doing this after the bridge construction undoubtedly increased the cost to some extent over that at which it would have been possible to do the piling during original construction.

As I say, in a construction of this type, which cost when it was completed in the neighbourhood of $200,000, the department that was originally responsible for the location of this bridge and for the engineering practice that went on, was negligent in not seeing that there was a proper soil test and certainly should be condemned. When they did take the final borings it was found there was about 100 feet of silt underneath the gravel bed, and this bridge costing $200,000 was built on that. Is it any wonder that the footing moved out? The department that was responsible for the original location of this and was responsible for the soil testing and the engineering practices should be condemned in no uncertain terms.

I am sure that now the Department of Public Works under the present minister, who has had to come in and take the responsibility for such a mistake as this, should not be required to take all the blame. I am not attempting to put all the blame on him, but I am saying that the department which was guilty of this negligence should certainly bear that responsibility. It should be looked after as far as his department is concerned, and the

present minister should see to it that no more slipshod methods such as that are practised, and it does not cost us $50,000 to correct mistakes in the construction of another bridge such as this.

Mr. Hahn: Earlier today it was suggested that a question I raised regarding the Lulu island bridge, specifically named Queensborough bridge, be brought up at this time, and I should like to bring it to the attention of the minister. I should like to ask him this, in view of the statement he made this morning. As I recall it, he said he had not received the report and therefore did not recommend it. A month's time has elapsed since the report was sent to his office. I want to know whether his answer indicates that he has seen the plans or his officials have seen the plans and it has not met with their approval and therefore was not given to him for his approval, or whether it means specifically that it has not yet been drawn to his attention and that, when it is, it will be given consideration.

Mr. Winters: No, it does not mean that I have disapproved the plans. It just means that I have not yet had an opportunity of seeing them. They have been submitted, but I understand that recently we have had quite a number of protests because I understand that the plans submitted by the city of New Westminster contemplate leaving existing structures where they are. I shall have to analyse all these protests before I can pass on the project.

Mr. Johnston (Bow River): May I ask the minister a question in regard to another problem that has arisen in the Banff national park in connection with road construction? That is the right of way which the highway requires going around the railway at Anthracite, where the property was expropriated. At least, I do not know whether the proceedings are still going on or have been completed. This thing has been hanging fire for one and a half or two years.

Again I am not sure, because of the complicated situation there, whether it is the Department of Northern Affairs and National Resources that has dilly-dallied in getting a settlement made of this question, or whether it was the Department of Northern Affairs and National Resources that was responsible for putting a road through private property without even getting permission from the owner, thereby cutting off the owner's livelihood without giving him any compensation whatever and holding him up for over one and a half years for payment. The settlement, as far as I know, has not even been made yet.

I cannot conceive that the Minister of Public Works would do such a contemptible thing, yet that was done. I am not sure whether those expropriation proceedings had to be carried out by the Department of Public Works or whether it was again the Department of Northern Affairs and National Resources. I am sure the minister can let me know about that. If he is responsible, I should like to know what action is being taken to see that this man has proper compensation for his labour, and proper compensation for the loss of livelihood which he has had to endure for all this time. Is it the practice of the department when building highways through national parks to intrude upon a man's private property and simply say, "Well, here we are, get out", or is there a proper procedure followed whereby proper compensation is paid? Again I have my doubts as to the minister being responsible for that, but I should like to know.

Mr. Winters: In this instance the Department of Northern Affairs and National Resources has taken action to acquire the property by expropriation. The plan has been filed. The government now owns the property, and I understand that northern affairs has actually made some settlements and some payments.

Mr. Johnston (Bow River): Some what?

Mr. Winters: Payments.

Mr. Regier: The hon. member for New Westminster mentioned the Lulu island bridge. Can the minister tell us at this point exactly what is the policy of his department with regard to assuming responsibility in respect of the cost of bridge building? I understand the policy with respect to interprovincial rivers or rivers that straddle the border is well settled, and that the government does pay a large share of the cost of bridges in those cases.

We in the lower mainland of British Columbia are faced almost every week with the situation where somebody says that the federal government should pay part of the cost of this bridge, that bridge or the other bridge, and sometimes we are somewhat at a loss to explain exactly what bridges the minister's department does assume some degree of responsibility for. Is it all bridges over navigable waters or is it not? If it is not all bridges over navigable waters I should like to follow through with several other questions seeking information on specific bridges.

My second question is whether any consideration has been given to adding to the list of bridges for which the minister's department does assume responsibility bridges that

would be of service in the cause of civil defence and the evacuation of our major centres of population. Has any consideration yet been given to this problem? If so, what decision has been reached?

Mr. Winters: Mr. Chairman, it is very difficult to give a broad statement of general policy. I would far rather deal with individual cases on their merits. The fact that a bridge is required over navigable water does not in itself mean that the federal government has a responsibility to share in the cost of building the bridge. The federal government's responsibility is to protect the position of the navigable waters. Before anybody can build a structure they must conform to the provisions of the Navigable Waters Protection Act, which means that in the final analysis the Department of Public Works must authorize or otherwise the building of the structure. But it does not of itself mean that the federal government is obliged, bound or committed to contribute toward the cost of the structure.

We have a certain responsibility with respect to bridges over interprovincial and international waters, where we normally contribute as a matter of policy when a bridge is required; but apart from that most bridges are, generally speaking, for the purpose of facilitating highway traffic within the province and, once again generally speaking, in the first instance and normally they are a responsibility of the provincial jurisdiction.

Mr. Regier: I should like to thank the minister for his answer. I should like to ask the minister whether his department is assuming any share of the cost of the bridge now being built to replace the present bridge over the Pitt river in British Columbia.

Mr. Winters: No, not to my knowledge. I have not been informed of any such project, so I am quite sure I am safe in saying we are not participating.

Mr. Regier: I do not know whether the minister will be able to answer this question, but in the light of the general policy statement he has just made would he explain for the benefit of the people of the lower mainland of British Columbia why his department would assume responsibility for the Lulu island bridge and not assume responsibility for the Pitt river bridge, which is not very far removed from the Lulu island bridge, which is a portion of the main highway and also crosses navigable waters.

Mr. Winters: The hon. member says we are contributing toward the Lulu island bridge. I am not aware that we are contributing toward any such structure.

[Mr. Regier.]

Mr. Johnston (Bow River): I should like to ask a further question about the bridge at mile 4 in Yoho park. Can the minister tell us now if the bridge has been satisfactorily repaired even though it did cost us an extra $50,000, whose sole responsibility it was, and how it came about that such negligence was allowed? Was that the minister's responsibility? If not, whose responsibility was it?

Mr. Winters: The bridge has been completed. I do not think it cost an extra $54,000. If it had been designed in the first place as it should have been, I think the additional cost would have been something more in the order of $20,000. The bridge was designed by the old department of resources and development at a time when I was responsible for that department. Therefore the ministerial responsibility is mine and I accept it.

The bridge was built at a place where the substructure was not as was anticipated. There was silty soil and there was some movement. It was found that steps had to be taken to put the bridge in shape, and I think the additional cost required over what would have been the cost had the bridge been designed properly in the first place, as it was finally, would have been something of the order of $20,000.

Mr. Johnston (Bow River): I would not want the minister to think I was endeavouring to mislead him when I quoted the figure of $50,000. Actually the price was $54,016.45. I do not know what the 45 cents was for. It states here that the work was carried out in March and April of 1955, so it must have been all due to the mistakes made in the first place. It could not have been $20,000. It must have been $54,016.

Mr. Winters: Yes, that work did cost $54,000; but what I am saying is that if the bridge had been designed in the first place as it should have been some of the items of expense in that $54,000 would have been charged against the initial cost of the bridge.

Mr. Hahn: The minister indicated that the federal government is not contributing to the cost of replacing the Lulu island bridge. Is any consideration being given to contributing to the cost?

Mr. Winters: No, sir.

Mr. MacLean: I have a question I should like to put to the minister. I am not sure whether it is more appropriate under this item or under item 390. In any case, I should like to ask the minister what are the possibilities of his department proceeding with an engineering survey to determine the

feasibility of the construction of a causeway between Prince Edward Island and the mainland.

Mr. Winters: Recently I received a letter from the premier of Prince Edward Island, which is the first official communication I have had in connection with this causeway. I think that was within the past ten days or two weeks, relatively recently. The letter set forth certain information which had been acquired locally and was based in part, I believe, upon a preliminary survey by a consulting engineer. I have asked the officials of the Department of Public Works to review the information submitted by the premier and to let me have their estimate of the cost of having a full-scale engineering study made by a competent consulting engineer. I have not received that information yet from the engineers of the department. That is the way the situation stands at the present time.

Item agreed to.

Development engineering branch—

384. International bridge over the St. Croix river between St. Stephen, New Brunswick, and Calais, Maine, the state of Maine to pay a like amount, $150,000.

Mr. Brooks: May I ask the minister what is the total cost of this international bridge between Calais and St. Stephen and how soon he expects the bridge to be completed?

Mr. Winters: The total cost of the bridge is $440,000, which will be shared equally between the government of Canada and the state of Maine. The target date for completion of the bridge is September, 1956.

Mr. Brooks: Will there be an official opening at that time?

Mr. Winters: I would certainly think so, Mr. Chairman. Nothing has been laid on yet, but I think we would be safe in saying there will be something.

Mr. Michener: The next three items cover an international bridge, an interprovincial bridge and a bridge which might be called an intraprovincial bridge as it is entirely within one province. What I should like to ask the minister is what becomes of these bridges when they are built. They are paid for in part by the federal government. Can he give us first the disposition of the St. Croix river bridge after it has been constructed? Does it become part of the highway system of New Brunswick and is it operated by that province and the state of Maine as a free bridge, a toll bridge or what is the prospective disposition of the St. Croix river bridge?

Mr. Winters: Which particular item are we on, Mr. Chairman.

The Deputy Chairman: Item 384.

Mr. Winters: Then perhaps I should limit my remarks to that item.

Mr. Michener: Yes.

Mr. Winters: Arrangements for maintenance will be shared on the same basis as the cost of construction. Maine will maintain and repair its half of the bridge and the government of Canada will maintain and repair its half of the bridge on the Canadian side of the border.

Mr. Michener: Will ownership be in the same proportion?

Mr. Winters: Ownership will be in the same proportion.

Mr. Michener: I understand it is just one of the public works of Canada in so far as the Canadian half of the bridge is concerned?

Mr. Winters: That is right.

Mr. Michener: There is no special corporation to operate the bridge?

Mr. Winters: No.

Mr. Michener: And no tolls will be charged?

Mr. Winters: That is right.

Item agreed to.

Development engineering branch—

385. Construction of spans of bridge over the interprovincial channel of the Ottawa river between Pembroke, Ontario, and Allumette island, Quebec, $450,000.

Mr. Hodgson: I should like to ask the minister a few questions about this bridge at Allumette island. I should like to ask him when it is estimated it will be open for traffic and what the total cost of the bridge will be to the federal Department of Public Works?

Mr. Winters: As the hon. member knows, this bridge is being built in three sections. The Ontario government is building the southern third, the Quebec government is building the northern third and the government of Canada, through the Department of Public Works, is building the centre section. The total contract cost of the centre bridge is $850,000. The completion date of that centre section which is our responsibility is the latter part of this present summer. I do not know what are the target dates of completion for the other two governments, but I think they would be somewhere around that time.

The maintenance will be divided between the three governments. The provincial governments have undertaken to do running maintenance, snow removal and that sort of thing up to the interprovincial boundary. The major repairs, repairs of a construction nature, will be done by the federal government on the centre span which we are building; and the two provincial governments will

be entirely responsible for all phases of maintenance on the sections they are building.

Mr. Hodgson: You think that the whole bridge will be open for traffic some time in the early fall?

Mr. Winters: I think so; yes.

Mr. Michener: Where will title rest?

Mr. Winters: Title to the centre section will rest with us and title to the other sections will rest with the respective provincial governments.

Mr. Brooks: In that connection I should like to ask the minister a question. In connection with an interprovincial bridge, where is the legal authority for the federal government to build one-third of it? I ask that question because there has been considerable controversy over the construction of a bridge between New Brunswick and the province of Quebec; I refer to a bridge from Campbellton to Cross Point. I remember that some time ago when the matter came up for discussion in the house here we were told that the federal government had no responsibility.

That idea may have changed. Here we have an interprovincial bridge where the federal government is taking responsibility for building one-third of it. I should like to ask the minister just where the authority for that is to be found. I had the idea that it was under the British North America Act. As a matter of fact the ex-premier of the province of New Brunswick, Mr. McNair, cited that authority one time but it was never agreed to by the government in connection with the Campbellton and Cross Point bridge.

Mr. Winters: I do not believe there is any doubt about the federal government's responsibility with respect to bridges over interprovincial waters. There was never any doubt in my mind on that point. The doubt is as to whether or not a bridge will be built at all. The mere fact that there is an interprovincial water does not automatically mean that it must be bridged by the federal government or by anybody else. There is also the question, I suppose, of what the ratio of participation should be because on one side of an interprovincial boundary the structure is in one province and on the other side it is in the other province.

Mr. Brooks: As in this case.

Mr. Winters: It is a matter for general agreement. With regard to the Campbellton-Cross Point bridge, we have taken the position that if the provincial governments concerned—that is the Quebec government and the government of New Brunswick—wish to build a bridge and bring forward a proposal indicating their participation, we will be prepared to give it favourable consideration. I have had discussions with the premier of Quebec and the premier of New Brunswick, and it was mutually agreed that the project would not be brought forward at this time.

Mr. Brooks: May I ask who objected to it being brought forward at this time? I am sure it was not the premier of New Brunswick.

Item agreed to.

386. Towards construction of the Burlington beach bridge, the province of Ontario to pay a like amount, $2,000,000.

Mr. Winters: Mr. Chairman, may I say a word about item 386. I should like to move—or to have somebody move—that this item be deleted. My reason is this, and I can best explain it by reading two brief letters. One is dated April 9, 1956 and is from me to Hon. J. N. Allan, minister of highways, province of Ontario, Toronto, Ontario. It reads as follows:

Dear Mr. Allan:

In the proposed estimates for the fiscal year ending March 31st, 1957, vote No. 386 asks parliamentary authority for the federal government to contribute $2,000,000 towards the construction of the Burlington Beach bridge.

I gather from conversations I have had with Premier Frost and with you that financial participation from the federal government will not be required during the present fiscal year, if indeed it would be required at all.

Under the circumstances, when the estimates of the Department of Public Works are being considered, we propose to ask parliament to drop this item. I hope this carries your judgment.

Hon. J. N. Allan replied on April 16 as follows:

I have received your letter of April 9th, and may say that we are quite agreeable to your suggestion of dropping the item of $2,000,000 toward the construction of the Burlington Beach bridge.

Yours sincerely,
Jas. N. Allan,
Minister of Highways.

The Deputy Chairman: Mr. Winters moves that item 386 be withdrawn.

Some hon. Members: Agreed.

The Deputy Chairman: Is it the pleasure of the committee to adopt the motion?

Mr. Charlton: Mr. Chairman, in view of the fact that the minister has just read a letter from the minister of highways in Ontario, I assume it to be the fact that they will not be far enough ahead with the work this year to make use of the $2 million but that it will probably be reappropriated next year. I assume that to be the case, anyway. I should like the minister to say whether or not that is so.

Mr. Winters: I believe the government of Ontario is contemplating a toll bridge at this point. In that event, they do not propose to ask for federal government participation.

Mr. Hodgson: I will second that motion, Mr. Chairman, and the minister can use part of that money in finishing the post office up in my riding this year.

Mr. Nicholson: I wonder if the minister would explain, now that we have the $500,000 which appears for last year, what is the authority for the federal government participating in provincial bridges? This appears to be a provincial bridge, and would the minister give some indication as to how far he is prepared to go with all the provinces in participating in the cost of bridges?

The Deputy Chairman: There has been a motion that this item be dropped.

Mr. Nicholson: There is an item before us here and the motion has not been carried.

The Deputy Chairman: The motion before us at the moment is that the item be dropped.

Mr. Nicholson: The motion has not been put, and I presume I am quite in order in asking the question I have asked. The minister might be expected to make a reply.

An hon. Member: The item is off.

Mr. Nicholson: No, it appears in the estimates. It has been moved that the item be dropped, but hon. members have a right to discuss it until the motion is carried. I have asked the minister if he will make some statement about the $500,000 which appears opposite this item for 1955-56. Would he also indicate if the federal government is prepared to negotiate with all the provinces in Canada in connection with the construction of bridges?

Mr. Winters: It seems rather odd that I should be asked to explain why we were participating in an item that I have just asked be dropped. The reason we did contract to participate was that the bridge is to be over the Burlington canal, which is a canal built by the federal government. The federal government felt it had some responsibility to help the province of Ontario bridge a gap that was built by it. Moreover, the traffic through that canal is so heavy that a high level bridge is required. This considerably adds to the cost of the structure.

Mr. Michener: Before the motion is agreed to, and while I do not at all question the reasons the minister has advanced, may I ask if the minister is relying entirely on the correspondence which he has read for his suggestion that this item be dropped? What is the date of the correspondence, and had the bridge involved any joint expenditure for engineering up to this time?

Mr. Winters: The project had involved no expenditures on the part of the federal government. I might say that since that letter from Mr. Allan which is relatively recent being dated April 16, 1956, I have had the matter confirmed in a telephone conversation.

Motion agreed to and item withdrawn.

Trans-Canada highway—

387. To provide for surveys and construction of the trans-Canada highway through national parks, $11,000,000.

Mr. Harkness: This is the item dealing with the provision of funds for the construction of this highway through national parks, which is the sole responsibility of the federal government. I note that the amount spent last year was $5·5 million, and $11 million is being provided for this year. I trust that indicates a real determination on the part of the department to go ahead and get the trans-Canada highway built within these national parks. A considerable amount of concern was expressed when we were dealing with the trans-Canada highway a few days ago as to the slowness with which some of the provinces had been proceeding with the construction of that highway through their territory. The construction within the national parks has been just as slow as or slower than in many of the provinces. I would hope something much better will be done with this $11 million than has been done in the past.

I notice particularly that in the details on page 490 of the estimates book there is a breakdown of the expenditure of the $5·5 million. The actual expenditures to December 1, 1955, were $2,300,355, and it says that the estimate for the balance of the year is $3,149,645. In other words the major portion of this expenditure for last year had not been expended up to the end of 1955. Certainly the department would not be able to do any highway construction in that mountainous area in which the national parks are located between the end of December, 1955, and the end of the fiscal year. You just cannot carry on highway construction during the winter period in the mountains. Therefor I should like to have the minister tell us how much money actually was expended last year. It would appear to me, from looking at this breakdown, that considerably less than half the money voted last year had been expended.

I believe the necessity for getting the trans-Canada highway built through the parks is urgent. It is not only a matter of

getting that particular link in the trans-Canada highway completed, but it is a matter of providing a highway in Banff national park which would provide a reasonable road for the thousands and thousands of tourists who use that park. So far as Banff and Jasper national parks are concerned, one of the chief complaints has been the state of the highways. There is no question but that the very poor state of the highway has been responsible for these parks losing, and Canada losing, a great deal of tourist business. Many thousands of United States tourists who have been in the parks have been loud in their claims that they would never go back and drive on such roads as these.

If we are to get the full advantage from these parks as tourist attractions, then certainly the most important thing that can be done is to provide good roads. This particular section of the road will be the most used section of the road system in the parks; therefore I would hope that with this increased appropriation the department will actually get the road constructed instead of offering the excuses we have heard in past years that this is a very difficult type of construction which requires a great deal of rock blasting and things of that sort. Everybody knows that is the case. The fact is that the money which has been appropriated at various times in the past has not been expended. In other words there has not been the drive behind getting this road constructed, and as a result it just lags along.

In addition to these general remarks I should like the minister to give us a breakdown showing how much of the trans-Canada highway has been completed in the national parks, how much is going to be constructed this year, how much will be left, and when it will be constructed.

Mr. Winters: Mr. Chairman, the first question the hon. member asked was how much was spent out of last year's vote. The answer to that is $4 million. The reason we did not spend more, I suppose, is the same as the provincial government's reason. We were held up first of all by an unusually wet season and, secondly, we were not able to get the structural steel for our bridge program. This year we are further advanced. Our contracts are already awarded.

A summary of the progress would be as follows: The survey of location is complete and the clearing and grubbing is 98 per cent complete. There is work we have been able to do in the winter time. The outstanding grubbing mileage consists of widening for high fills and deep cuts. The grading has been completed for a total of 26 miles; 11·7 miles in Banff park and 14·3 miles in Yoho park. The design for base and pavement consists of a variable depth of gravel subbase; three inches of compacted gravel base course; three inches of bituminous stabilized base course; three inches of asphaltic concrete pavement. A total of 7·4 miles of gravel base course has been completed. The work on base course up to March 31, 1956 is equivalent to 5·8 miles of completed pavement. Four bridges have been completed at the following locations: Banff park, mile 1·5 at Carrot creek; mile 7·7 at Cascade river; mile 9·6 at Forty Mile creek; Yoho park, mile 3·9 at Kicking Horse river bridge No. 1.

Contracts have been awarded and are in progress for grading and the provision of compacted gravel base course for the following mileages: Banff park, mile 0 to 31 and mile 43·3 to 51·1; Yoho park, mile 0 to 28·6. The following contracts remain to be awarded to complete grading and compacted gravel base course: Banff park, mile 31 to mile 43·3; Yoho park, a recall of a contract for mile 10 to mile 16. This contract was partially completed but terminated on December 1, 1955.

Bridges: The following contracts have been awarded for the construction of bridges: Banff park, five small reinforced concrete bridges between mile 13 and mile 40; Yoho park, C.P.R. overpass at mile 2·5. The following contracts remain to be awarded in 1956: Banff park, mile 14·3, bridge and overpass to the Bow river and C.P.R.; Yoho park, mile 16·7, bridge over the Kicking Horse river and C.P.R.; mile 21·5, bridge over the Kicking Horse river.

Paving: A contract will be awarded in 1956 for paving bituminous stabilized base course from mile 0 to 14·2 in Banff park.

Mr. Johnston (Bow River): Does the minister feel satisfied that the base he is talking about from mile 0 at the east gate—

Mr. Winters: That is correct.

Mr. Johnston (Bow River): —up to the railroad track is sufficiently properly constructed now to carry a hard surface?

Mr. Winters: Yes, Mr. Chairman.

Mr. Johnston (Bow River): I hope we are right and that we do not have to repair it in the short period of time within which we have had to repair the other. I wish to mention the road from Eisenhower junction to Radium Hot Springs. That gives us a good example of a road on which probably not enough precaution was taken in its construction, because after that road was built it was completely gone in about three years. I understand the whole thing has to be torn up and gone over again and a hard surface put

on it. I recognize that it is not a part of the trans-Canada highway. I mention it only to show that we should be careful to see that the foundations are properly laid before we proceed to hard-surface the road. There is lots of material close at hand in the parks.

I understood the minister to say that the hard surface from mile 0 to about mile 8 in Banff national park would be completely hard-surfaced this spring. Will it be done in time to take care of the tourist traffic?

Mr. Winters: No, it will not be finished in time for the tourist traffic, Mr. Chairman.

Mr. Johnston (Bow River): I was wondering what effect it will have both on construction of the road and the tourist traffic if the work is going on while the tourist traffic is going over it, because the traffic is exceedingly heavy at that time.

Mr. Winters: Mr. Chairman, I have a note here on that particular section from mile 0 to mile 10·8. Since the hon. member raised the matter before perhaps I should give him a fuller statement. Construction was started on this section in 1952 under the Department of Northern Affairs and National Resources, and a contract was awarded to Williams and Carruthers Limited for the construction of the subgrade and the Carrot creek bridge. This work was completed in 1953.

An additional contract was awarded to Standard Gravel and Paving in 1954 for the grading and culverts between mile 4·2 and 10·8 and gravel base course between mile 0 and 10·8. A section of the Cascade river was omitted where relocation of a portion of the C.P.R. line was involved, on which agreement was not reached until 1955. This railroad relocation is now under construction. Bituminous treatment of the gravel base course was undertaken between mile 0 and mile 5·5 in 1954 as a protection coat and a dust control measure.

The relocation of the C.P.R. line will be completed early in 1956, permitting completion of grading from mile 0 to 14·2, and it is proposed to call for tenders for completion of the gravel base course and the bituminous stabilized layer this season.

Mr. Green: Mr. Chairman, may I ask the minister why the road was switched from the south side of the Bow river to the north? I understand that the highway formerly ran on the south side but now there is a completely new road being made on the north side of the river.

Mr. Winters: It is just the reverse.

Mr. Green: I believe that the snow melts later on the north road that is now being used and that building a completely new road has meant a great deal of additional expense. Why was it necessary to switch to the other side of the river?

Mr. Winters: The south side of the river presented better topography for a trunk road than the north side. The north side remains, anyhow, as a local park road, a tourist road, as the Minister of Northern Affairs and National Resources has said. Both roads will be necessary, but for a through trunk road I think the hon. member would agree that the south side of the river presents many advantages.

Mr. Green: That is not the information I am given. I understand it would be much wiser simply to improve the road which already exists instead of carving out a completely new road.

Mr. Winters: We do not think so, Mr. Chairman.

Mr. Harkness: Mr. Chairman, the minister gave us a considerable number of figures. What they all seem to mount up to is this. By the way, may I ask the minister what is the total mileage of the trans-Canada highways in the national parks?

Mr. Winters: Eighty-three miles.

Mr. Harkness: Well, if the total mileage is 83 miles it would appear that no miles are finished at the present time. None of that road is completed in spite of the fact that for years and years the work has gone on. Furthermore, only 14 miles of this will be, I presume, completed. It is going to be paved, at any rate, during this coming summer. So by the end of the construction year 1956 only 14 of those 83 miles will be finished. Then there are various things that are going on as far as the rest of it is concerned, grading in some places and bridges being put up in others, and so on. Can the minister tell us when the entire road is going to be completed through the national parks?

Mr. Winters: Roughly, Mr. Chairman, we are planning to have the grading completed and the structures built in 1957, the bituminous stabilized base course completed in 1958, and the final paving completed in 1960.

Mr. Barnett: Mr. Chairman, I should like to know whether the minister in his last statement has referred to Banff national park or to all highways within the national parks?

Mr. Winters: Banff and Yoho.

Mr. Barnett: The reason I raise the point is that I was wondering whether his remarks include the trans-Canada highway in the national park in Newfoundland?

Mr. Winters: No.

Mr. Barnett: Can the minister give us some indication as to what activity will be undertaken in connection with the Newfoundland trans-Canada highway in that park?

Mr. Winters: Yes. That area has not finally been established as a national park, Mr. Chairman; therefore it does not come under the provision for the national parks nor is the trans-Canada highway being approached on that same basis now. But we have told the Newfoundland government that if they proceed with that part of the highway through the area that is set aside for a national park, and if it then becomes part of the national park, and the road is built to trans-Canada highway standards, we will pay half the cost; but so far the initiative for the programming of the work is the responsibility of the provincial government.

Mr. Barnett: Did I understand the minister to say the proposal was that we were to pay only half the cost of what might eventually come within the national park?

Mr. Winters: Perhaps I did give the wrong impression. We do pay half the cost as part of the trans-Canada highway, but when it is in a national park we will pay the other half of the cost.

Mr. MacLean: I am under the impression, Mr. Chairman, that after the trans-Canada highway in the parks is completed the Department of Public Works will have no more responsibility, and the maintenance of those sections of the trans-Canada highway will be the responsibility of the parks branch of the Department of Northern Affairs and National Resources. Will the trans-Canada highway, which is only one of many roads in the national parks, continue to be the responsibility of the Department of Public Works as far as maintenance is concerned?

Mr. Winters: It will be the property of the Department of Northern Affairs and National Resources, and ordinary maintenance will be done by that department. Capital expenditures will be carried out by the Department of Public Works.

Item agreed to.

388. Payment to the province of Manitoba, being 50 per cent of the province's contribution to the city of Winnipeg for reconstruction of Broadway avenue, as part of the trans-Canada highway, $36,633.

Mr. Dinsdale: I would like to ask the minister if the principle enunciated in item 388 applies generally to sections of the trans-Canada highway passing through urban communities? What is the principle behind this vote?

[Mr. Winters.]

Mr. Winters: Yes, Mr. Chairman, this principle does apply. The principle is that the federal government will pay half of the cost incurred by a provincial government in carrying out its normal practice in respect to municipalities. As a matter of fact I do not believe this amount will be required because I understand, although we have not been officially informed, that the government of Manitoba intends to reroute the trans-Canada highway in order to by-pass the centre of Winnipeg to the south, and this expenditure therefore would not be required.

Mr. Dinsdale: I have one further question. Would the same principle apply if the construction of a bridge on the trans-Canada highway were necessary? Would the federal government share on a similar proportionate basis if the construction of a bridge on the trans-Canada highway were necessary?

Mr. Winters: Does the hon. member mean if a bridge were constructed within a municipality?

Mr. Dinsdale: Yes.

Mr. Winters: If it were built within a municipality and at the same time on the route of the trans-Canada highway, the federal government under the terms of the agreement would pay half of the cost incurred by the provincial government, if it has been the normal established practice of the provincial government to contribute toward municipal roads.

Mr. MacLean: What policy has been carried out with regard to avoiding cities where possible on the trans-Canada highway? That sentence may seem a little strange, but where people have had experience with through highways it has been customary to by-pass cities and have connecting roads into them so the motorist can either carry on straight through without having the interference of city traffic to cope with or he can take the by-pass into the city if that happens to be his destination. The most outstanding example of that is the autobahn in Germany; the facility with which one can travel for long distances on that road is well known.

I was wondering if a conscious attempt has been made to avoid having the trans-Canada highway pass through congested areas where speed limits are necessary.

Mr. Winters: Mr. Chairman, I doubt whether we are in order in discussing general policy on this specific item, but as the hon. member knows the determination of the route is the prior responsibility of the provincial governments. It is up to them to say whether the road shall go through or by-pass. For

our part we have been endeavouring to encourage the provincial governments to by-pass centres of population.

Mr. Goode: Mr. Chairman, I know there will be some doubt as to whether I am in order, but I am very interested in what the minister has just said. Would the minister take note of the statement made by the premier of British Columbia as reported in the papers yesterday that they are going to ask the minister to change the route of the trans-Canada highway, and could we expect a favourable reaction from the minister?

Mr. Winters: Mr. Chairman, I have not read the statement to which the hon. member referred nor have I received any communication from the government of British Columbia.

Item agreed to.

General—

389. Miscellaneous works not otherwise provided for: a maximum of $15,000 may be expended in respect of any one work and, with the approval of the treasury board, that maximum may be increased to $25,000 in the case of any one building construction project, $800,000.

Mr. Nowlan: Mr. Chairman, I have one question on this item the wording of which rather intrigues me. This item provides for miscellaneous works not otherwise provided for. A maximum of $15,000 may be expended in respect of any one work, and with the approval of treasury board that maximum may be increased to $25,000 in the case of any one building construction project.

I am wondering if there is a deliberate choice of words here. There is a difference between "any one work" and "any one building construction project". I assume for a wharf, for instance, you could spend a maximum of $15,000 because that is a small project, whereas for a post office building or something of that nature you could spend a maximum of $25,000 because that is a building construction project. I should like to know the theory behind the wording of this item. If it is deliberate, all well and good, but if it is not deliberate the wording should be changed to reconcile one with the other.

Mr. Winters: The hon. member is substantially correct in what he said. We get a lot of miscellaneous small items that are not specifically referred to in the printed items and unless we have some authority of this kind we cannot undertake any project which is not specifically mentioned. Under this vote we can undertake works up to $15,000 which are not specifically referred to in the estimates, and we can go as high as $25,000 on small projects of the nature of small postal buildings with the approval of treasury board. That is quite right.

Mr. Michener: Is this a duplication of item 364, "Unforeseen improvements" on which we spent some time?

Mr. Winters: No, that covered improvements and alterations; these are generally new works.

Item agreed to.

390. To provide for advance planning of projects including acquisition of sites, $1,500,000.

Mr. Hodgson: Mr. Chairman, I have had some difficulty with the department in the past in obtaining sites. For instance, I have not found any one who knows who owns the 66 feet around a lake shore. I claim that the man who owns the land behind it owns that strip, but a stipulation in the provincial law makes it public ground. I think the department should frame some legislation to enable it to take possession of that land. The department should not have to go through the provincial and municipal governments. I do not know whether it is an excuse, but I have known projects to be held up for three years before the dominion government could acquire ownership of the land or the right to build a dock or wharf on the lake shore.

The Chairman: Shall item 390 carry?

Mr. Nowlan: Mr. Chairman, if this were the last item I would not say a word in view of the time, and if the minister were trying to get through before five o'clock I would not speak on this item. I do not think the minister is sufficiently optimistic to expect to conclude before five o'clock. I would like to say a word concerning this item; if it is not five o'clock I shall, but if it is five o'clock I shall not.

The Chairman: Has the hon. member unanimous consent to spend a little more time on these estimates?

Some hon. Members: Agreed.

Mr. Nowlan: I shall just take a minute of the time of the committee, though I would prefer to spend ten minutes discussing this. I notice that this is a very general item referring to advanced planning. Advanced planning is a euphemistic expression which includes everyone and everybody. I recall reading in the press that the minister's plans required the tearing down of the old supreme court building at the foot of the hill here and making a parking lot of it. One could spend ten minutes discussing that, but I am going to spend only one minute on it and say that

I think the minister in his planning should look further ahead than the necessity of providing a parking lot for perhaps 15 or 20 cars.

Mr. Winters: That is a temporary arrangement. What we are doing will ultimately conform with the national capital plan.

Mr. Nowlan: If it is in conformity with the national capital plan, I happen to be a member of the joint committee of the house and the Senate and I do not think the national capital plan is completed as yet. There will be many meetings and many recommendations. All I would like to say is that here we have one of the old historic buildings of the city, and one that means a great deal to this country. It is true that it was a stone carving shop at one time. Perhaps Sir John A. Macdonald's coachman went in there to warm his hands over the stove when he was waiting to drive home the boss. Afterwards it evolved into the supreme court building. Now, of course, we have a magnificent structure further down the street.

If this country grows as we hope and believe it will grow, perhaps in another 50 years there will be another Supreme Court of Canada building in some other place. Then everyone is going to be lamenting the fact that we did not have the foresight to preserve some of these earlier buildings and monuments.

If you want amplification of this argument, I am not a shareholder in the Royal Bank of Canada so I do not mind advertising one of their products, the monthly letter, and I would refer you to the latest issue which is just off the press. It deals with the necessity for preserving the historic sites of this country. Our failure to have done so warrants the attention of every hon. member. I would urge the minister not to move too quickly in the demolition of that building.

Perhaps it has some significance. At one time horsemen stayed there, and now we are going to park automobiles there. I suppose one might say that there are philosophical attachments to the question, but a building that housed the Supreme Court of Canada for 30 or 40 years should be preserved if at all possible. It could be done while still maintaining the integrity of the national capital planning scheme, which we have not yet finally evolved. Until we do, we should not destroy any historic sites.

Mr. Knight: I rise on a point of order. I think it is important that we should preserve the rights of private members. Goodness knows, they are limited enough. The minister has already taken up, on government business, time designated for the consideration of private bills. I would be quite willing, if there is time left after private members' bills are discussed, that we revert to the minister's business before six o'clock. I suppose that would happen anyway. But I am just pointing this out to you, Mr. Chairman, and I am not making an issue of it.

The Chairman: The hon. member is quite right. Does item 390 carry?

An hon. Member: No.

The Chairman: Item 389 is carried.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Mr. Deputy Speaker: There are a number of divorce bills—items 46 to 76—on the order paper. Shall these be considered in one motion?

Some hon. Members: Agreed.

Bill No. 217, for the relief of Jean Benoit Maille.—Mr. Henderson.

Bill No. 218, for the relief of Jeannette Cowan Weinstein.—Mr. Henderson.

Bill No. 219, for the relief of Rina LeBreton Fleurent.—Mr. Henderson.

Bill No. 220, for the relief of Hazel Annie Palmer Martel.—Mr. Henderson.

Bill No. 221, for the relief of Phyllis Matilda Clayton Sawyer.—Mr. Henderson.

Bill No. 222, for the relief of Leonora Cancelli Desgroseilliers.—Mr. Henderson.

Bill No. 223, for the relief of Eugenia Towstuk Podilchuk.—Mr. Henderson.

Bill No. 224, for the relief of Rose Rother Lewartt.—Mr. Henderson.

Bill No. 225, for the relief of Marie Germaine Muguette Andree Brunet Sievert.—Mr. Henderson.

Bill No. 226, for the relief of Joan Noble Rusk.—Mr. Henderson.

Bill No. 227, for the relief of Joseph Edouard Walter Gerard LeBlanc.—Mr. Henderson.

Bill No. 228, for the relief of Marie Jeannine Eda Codette Azaria.—Mr. Henderson.

Bill No. 229, for the relief of Mary Margaret Florence Bradley Green.—Mr. Henderson.

Bill No. 230, for the relief of Mary Wylie Johnston Haan.—Mr. Henderson.

Bill No. 231, for the relief of Christina Walsh McBrearty.—Mr. Henderson.

Bill No. 232, for the relief of Marie Anne Roy Suess.—Mr. Henderson.

Bill No. 233, for the relief of Ray Israel Lieder.—Mr. Henderson.

Bill No. 234, for the relief of Lillias Cushnie Dowden Grande.—Mr. Henderson.

Bill No. 235, for the relief of Angelina Heylen Thirion.—Mr. Henderson.

Bill No. 236, for the relief of William James Munden.—Mr. Henderson.

Bill No. 237, for the relief of Robert Raymond.—Mr. Henderson.

Bill No. 238, for the relief of Jacqueline Gagne Brothers.—Mr. Henderson.

Bill No. 239, for the relief of Nathan Fishbine.—Mr. Henderson.

Bill No. 240, for the relief of Dorothea Atkinson Bosse.—Mr. Henderson.

Bill No. 241, for the relief of George Evangelinelis.—Mr. Henderson.

Bill No. 242, for the relief of Tatiana Holowko Kucznski.—Mr. Henderson.

Bill No. 243, for the relief of May McMullin Bjornson.—Mr. Henderson.

Bill No. 244, for the relief of Adrienne Cote Souliere.—Mr. Henderson.

Bill No. 245, for the relief of Imogene Eva Patricia Hayes Knox.—Mr. Henderson.

Bill No. 246, for the relief of Maria Domany Cap.—Mr. Henderson.

Bill No. 247, for the relief of Elfrieda Eggert Nowinski.—Mr. Henderson.

NATIONAL PARKS ACT

AMENDMENTS RESPECTING PENALTIES, PROCEDURES, ETC.

Mr. C. E. Johnston (Bow River) moved the second reading of Bill No. 150, to amend the National Parks Act.

He said: I am sure I am not the only one in this house who has a national park in his constituency, and I feel that everyone in this house who has a national park in his constituency will be vitally concerned with the changes suggested in Bill No. 150 to amend the National Parks Act. This act needs a complete and thorough overhaul. As it stands at present, it lends itself to most unfair treatment of the citizens who have residences in national parks and also those who come there as tourists. It can be and is used as a means of intimidation, and this sort of thing should not be allowed to continue.

Under its present regulations, intimidation is exercised against those who desire to establish themselves in a competitive enterprise, and in favour of those who are at present established in a national park. No act or its regulations should be drawn in such a manner or used to favour any particular individual or group of individuals.

The penalties under this act have been a cause of contention and irritation for many years. The minister has promised to revise the act, but so far nothing has been done. Whilst the act needs a complete and thorough overhaul, I am now asking only for an amendment to change the unduly severe penalties and also to offer some protection for the privacy of a man's home. The act as it now stands is most unsatisfactory. There are regulations in the act pertaining to very minor offences and, according to the act as it stands, anyone who is convicted of those minor offences is subject to most severe penalties. Those are some of the things with which I am concerned.

In order to enlighten members of the house as to what I have reference to, I should like to read one or two of the existing regulations. Some of them are petty and should be removed. Some of them are indeed more serious. I want to refer to one regulation made under the act which deals with one of these trivial things. Here is one of the general regulations having to do with national parks:

> No person shall pick wild flowers or remove any shrubs or plants from park lands, but the director may issue permits for the taking of flowers, shrubs and plants for scientific purposes.

That means that if any person picks a flower on park lands he is subject to the penalties laid down in the act. Let me give one more trivial example which is annoying and can lead to serious difficulties. On page 4 I find the following:

> No person shall remove or displace any rock, mineral, fossil or other object of natural curiosity or interest in a park without permission in writing from the director.

I venture to say that regulation is broken a thousand times every day when the tourist season is in progress. It is so useless that it should not be allowed to remain there. Here is another one on page 9 of the regulations, dealing with snow removal:

> The lessee of any lot in a townsite in which residence or the operation of a business is permitted during the winter months shall remove the snow from the sidewalk in front of such lot. Such snow shall be removed within a period of 12 hours following any snowfall.

If any person fails to comply with that regulation he leaves himself open to a fine of $500 or six months in jail at hard labour. There is no other place in Canada where we find such things. Certainly in the city of Calgary where I live we are required to remove the snow from in front of our premises, and if you do not remove it there is a penalty. The city authorities send around a crew to remove the snow, the cost is charged to your taxes, and that is it. There is no such idiotic thing as we find in the National Parks Act.

Mr. Lesage: There are no taxes in Banff.

Mr. Johnston (Bow River): There is one other example I want to mention. These are some of the more trivial things that need a little attention. Listen to this regulation:

> No person shall drop or throw down in a park any burning match, lighted cigar, cigarette, or other burning substance.

Literally that means that if anybody walks down the main street of Banff and throws away a lighted cigar or cigarette he is breaking one of the regulations. There are also regulations which deal with the sale of goods on Sunday. I say to you, Mr. Speaker, that there is not a Sunday, particularly during the tourist season, when goods are not sold publicly in stores. Let me give one example, radium hot springs, a government establishment where the concession is leased to private individuals. At the same time, if individuals with stores in the town of Banff sell goods on Sunday they are jumped on with both feet and upon conviction are liable to a fine of $500 or six months in jail at hard labour.

I say, Mr. Speaker, that such a condition should not be permitted to continue. Then I should like to refer to part 11, regulation 3 (f) which reads as follows:

> No person shall touch or feed the bears or entice them to approach by setting out sweets or other foodstuffs.

If people break that regulation they are subject to a fine of $500 or six months at hard labour. As you pass through the park you will see signs along the road saying you must not feed the bears, and I think they state on them that there is a $500 fine. To my knowledge they do not say that you are liable to a penalty of six months in jail at hard labour. There again, every day in the week during the tourist season that regulation is broken. You only have to go to where the garbage from the hotels is dumped. Thousands of tourists go there to see the bears because that is where they come. On every occasion I have been there I have seen people feeding the bears. I know the danger attached to such a practice, because some people have been mauled by the bears, and there should be proper regulations to control that practice. But the act is so full of these minor offences that should be removed that it is in need of a complete and thorough overhaul.

Then there are some offences that are of more concern to the people there than others. I am not confining myself particularly on this occasion to the question of a complete overhaul of the regulations. I think there are some respects in which the act can be violated where the penalties are out of all line with proper procedure, and these should be taken care of. I am only asking first of all that the fines be reduced, and also the penalty if the fine is not paid. Let me read the provision in the act with respect to penalties. It is section 8 (1) and reads as follows:

> Any person violating any provision of this act or any regulation—

It does not make any difference what it is.

> —in addition to any civil liability thereby incurred, is liable on summary conviction to a penalty of not more than five hundred dollars, and in default of immediate payment of such penalty and of the costs of prosecution, such person may be imprisoned with or without hard labour for any term not exceeding six months.

The minister will probably say, "Oh, well, that is never done". But it is not a case of whether it has been done or will be done. The act is there. The law is stated clearly, and those penalties are there and can be made use of. This is something that concerns the people of Banff a great deal, and I am sure it concerns the people in other national parks or will concern them when those parks reach the prominence that Banff has reached.

I want to refer to something that happened a year ago in connection with the application of the provisions of the Alberta hospital act. As hon. members know who were here during the debate in the house last year, a hospital act was passed which permitted the people of Banff to enjoy the benefit of the provisions of the provincial hospital act. They were allowed to come under the dollar a day hospitalization plan. The remaining part of the cost is contributed on a fifty-fifty basis by the province and the municipality. The act was changed so the people of Banff can now enjoy that service, but it is this point I want to deal with particularly.

While the people of Banff wanted hospitalization in the park, they did not want to come under the regulations under this act, and they appealed to have it changed. When we debated this question the minister referred to the health and welfare act, and I want to read something in that regard to be found in part 20 of the regulations under the National Parks Act governing the levying of tax upon the residents of national parks in Alberta for health and welfare services.

If any persons fail to comply with the regulations under this act after having been given 30 days' notice and they fail to pay their tax levy, then they are violating the regulations of this act and they leave themselves open to a fine of $500 and six months imprisonment. The people there most decidedly object to this provision. When we look

up the regulation we find that provision is made for the collection of this tax. It reads:

> Where a person refuses or neglects to pay a tax within 30 days following demand, the superintendent may levy the amount of the tax by distress and sale of the goods and chattels of the person in default, together with the costs of the distress and sale.

I say to you, Mr. Speaker, that this regulation deals with the disposal of those chattels, but the penalty is clear. As stated in the act under "Penalties and Procedure" at page 5, the penalty is that any person violating any provision of this act or any regulation is subject to a $500 fine and in default to six months in jail with hard labour. That was in connection with the health and welfare act Mr. Speaker. When the hospital act was introduced the people of Banff took strong objection to this, and it has been brought to the minister's attention in this house on more than one occasion by myself and by the hon. member for Acadia and considerable correspondence took place in an appeal to the minister to do away with these severe penalties, particularly as they applied to the health and welfare act and to the hospital act. You will see what the promises were as we go along.

I want to read part of a letter which I received from the Banff advisory council in connection with this very matter. The secretary of that council is referring here to a previous letter written by myself. This letter is dated March 24, 1955. In it he says this:

> This is quite right as far as it goes, but there is another section of the regulations which states that non-compliance with any park regulations is liable to a penalty of a fine not exceeding $500, or imprisonment for not more than six months, and as the welfare tax is part of the park regulations the section quoted becomes applicable.

I want you to notice this, Mr. Speaker. In my first remarks I spoke about discrimination and unfair practice in regard to this matter. I would ask you to listen to this:

> In cases where a resident has become delinquent in the payment of the welfare tax it has been the practice of the department to summon him in the police court with the result that he is fined both for non-compliance with a regulation and also the amount of the tax. The section dealing with distraint of goods is not invoked—

That is the one which was in the welfare tax act and it is also the one which is in the hospital tax act.

> —but the delinquent is really treated as if he were a criminal and in addition he is actually punished twice, which is certainly unjust. He is compelled to pay his tax and is also punished for infraction of the regulations. The council considers this most unjust and we feel sure that if the hospital plan is made part of the park regulations and becomes subject to the penalties mentioned it will be defeated by a plebiscite.

You might ask me the question, was it defeated? In reply I would say no, it was not defeated because certain promises were given by the minister. I shall refer to them in a moment. On May 5 the council again wrote to me with regard to this matter. I shall read only that section of the letter which pertains to it:

> There is no objection to the tax being collected by the park superintendent, provided that such collection does not entail the scheme being brought under the park regulations.

I quote this to you, Mr. Speaker, so you will readily see that the people of Banff are very much concerned with having this regulation removed. Then I took this matter up with the minister and pointed out to him the difficulties the people of the park were facing. On July 5 I wrote to him in this strain:

> Now, it is the view of the hospital board—and I must say that I concur in their belief—that definite assurance should be given to the people of Banff that penalty as outlined in part 1, section 8 of the act, shall not under any circumstance be applied when a person is in default of a regulation under the new hospital plan, but rather that the penalty as outlined in part 20 of the regulations, section 7, shall apply only.
>
> Would you be good enough to inform me that such shall be the case? I am perfectly aware of the fact that any assurance does not override the act, but I am quite positive too that your assurance will be most satisfying to the people of Banff and the municipal hospital board, and I would further ask your assurance that when we again meet here in Ottawa for the 1956 session of parliament, that an amendment will be introduced to the parks act so as to eliminate the possibility of part 1, section 8, applying to the dollar a day hospitalization plan in Banff national park.

The minister answered that letter and said in part:

> The whole question of the hospital plan is, as you know, receiving active study at the present time. In connection with it, the views expressed in your letter will be kept in mind.

Then, Mr. Speaker, when the question was introduced into parliament and the act was passed, here is what we found. I should say that just prior to that the minister wrote to the Banff advisory council and they sent me a letter which referred to it. They say here:

> Mr. Lesage says—"In order to waive the penalties incurred in section 8 of the National Parks Act, a further amendment to the act would be required. A bill to amend the National Parks Act to provide authority for the introduction of the hospital plan has been passed by the House of Commons and is now before the Senate. However, when the bill becomes law and if the hospital plan is implemented, no doubt regulations for the administration of the plan will be established . . ."

And notice this, because I referred to his promises:

> "In these regulations provision will be made for the method of collecting the tax—

And I emphasize this part:

> —together with proper penalties for non-payment."

Let us now refer to the act. When the hospital act was passed the regulations were drawn up and this was what was put in, as found in part 27, page 2:

> Where a person refuses or neglects to pay a tax within 30 days following the demand, therefor, the superintendent may levy the amount of the tax by distress and sale of the goods and chattels of the person in default, together with the costs of the distress and sale.

That is the method of collecting it, but it does not refer in any instance to the penalty, and that is the thing the people were very much concerned about. I just indicated what the penalty was. Let me read it again so the members of this house will see what position the people of Banff are in if they fail to pay that tax after 30 days' notice. Not only can they have their goods seized and sold but it is stated quite clearly in the act:

> Any person violating any provision of this act or any regulation, in addition to any civil liability thereby incurred, is liable on summary conviction to a penalty of not more than five hundred dollars, and in default of immediate payment—

And I emphasize those words "immediate payment".

> —of such penalty and of the costs of prosecution, such person may be imprisoned with or without hard labour for any term not exceeding six months.

I am definitely sure, Mr. Speaker, that you would not for a moment condone such penalties being included in the act under these circumstances. I would hope the members of this house would give this every consideration in fairness to the people who are obliged to live under these conditions, and see that this section of the act is revised. All I am asking in the bill is that there be a change, and that $50 be substituted for $500. It seems to me that $50 would be a sufficiently severe penalty for an infringement of the hospital tax. Then, too, I am asking that the word "immediate" before the word "payment" should be left out.

In order that the minister could not in any way refuse to accept such a proposition as this, we have said that any such person may be imprisoned for a term not exceeding one month. Surely that is sufficient. Why we should ever have hard labour attached to it is beyond my comprehension. I say that any reasonable member of this house would agree that we should not have such penalties attached to this legislation.

There is one other section to which I want to refer, and I do not want to take too much time on this occasion. I refer to the right of individuals appointed under the authority of the act to enter a man's house without a search warrant. The regulations dealing with this are very numerous. Supposing, for instance, you caught a fish in Banff park that was under size, you would be breaking the regulations. Now, if a constable empowered to carry out this search so desires, he can enter a man's house without a warrant and search it from top to bottom. He can break open any trunk or any box he desires. In addition, he can leave the park area and go into the city of Calgary. If I happened to be an offender he could come to my house without a search warrant and go through it, whether or not I was there. Now, Mr. Speaker, I think such a regulation as that is just idiotic.

Mr. Fulton: What would he find there?

Mr. Johnston (Bow River): I am asked what he would find. He does not have to state what he would find. If he is suspicious that a man has used any equipment illegally for catching fish, he does not have to state any reason. He can search those premises. The minister may say we need these regulations to search without a warrant particularly in those cases that have to do with liquor. We need to immediately enter a man's premises. I contend, Mr. Speaker—

Mr. Lesage: I rise on a point of order, Mr. Speaker. I would say that the section of the act to which my hon. friend refers deals only with the search without a warrant in the case of game and fish, not in the case of liquor.

Mr. Johnston (Bow River): I am not saying that. I said the minister may say—

Mr. Lesage: I will not.

Mr. Johnston (Bow River): Then the minister will be talking differently from the way he talked when I spoke to him privately.

Mr. Lesage: This deals only with fish and game.

Mr. Johnston (Bow River): We were talking about searching a house without a warrant, and I was just saying that the minister may say—I may say he did say to me when I mentioned the case to him—that they needed the power of this legislation to search without a warrant in the case of a man with liquor. So hon. members will be under no illusion in that respect let me read this—

Mr. Lesage: Since the hon. member is referring to what I said in a private conversation I will tell hon. members what I said. I made a comparison with the various provincial acts and mentioned the fact that all the liquor acts of the provinces have a similar provision for obvious reasons, and the reasons were the same. That is quite different from what he says now.

Mr. Johnston (Bow River): Let me say to you, Mr. Speaker, in any event, just to disabuse anyone's mind of such a thing, that we have a reference to it I believe on page 9, and I shall read it so it will not be brought up as an excuse for continuing permission to allow a man's house to be searched without a warrant. The regulations are clear.

> The laws of the province in which a park is situate respecting the sale of intoxicating beverages apply in a park, but no person shall be granted permission to sell any intoxicating beverage in a park unless the application therefor has been approved by the minister and the applicant has secured a licence therefor under the national parks business regulations.

In any event, I want to point out to the members that it is not necessary to have such a condition outlined in the act, where an official can enter a man's house without a warrant, even though he may have liquor in it. This comes under the jurisdiction of the province. I have the provincial legislation here, and I think all provinces take care of that item very well. This, therefore, can be no excuse for the minister to permit these unduly severe penalties to exist under this act, and it should not permit him to continue to authorize a person's home being ransacked by an official without having the proper legal authority to do so. I contend such an official should have a warrant and do it in the proper way.

You will notice that in the bill we say:

> —with warrant or other legal process enter and search any building, premises, structure or residence and without warrant or other legal process at any time enter and search any camp—

There may be circumstances when a person living in a camp has violated regulations and he may escape immediately or within hours so that is taken care of in the bill. Then mention is made of a vessel. A person could have illegally caught fish or illegal equipment in a boat, and that too, is taken care of. He may be in possession of liquor in his car, and that car can be searched without a warrant. We are only trying to protect a man's private property. We say that under no condition should these places be entered without a warrant. I am sure, Mr. Speaker, that the things I have told you show you the desire of the people of Banff to have these regulations changed in so far as the fine and imprisonment are concerned and in so far as not permitting an officer to enter a man's house without a search warrant. The minister cannot say that has not happened in Banff, because it has.

Now, Mr. Speaker, I do not want to talk this bill out. I want the minister to have an opportunity to reply, and certainly I want to give other hon. members here who have parks in their ridings an opportunity to say what they think about this legislation.

Mr. D. S. Harkness (Calgary North): This bill deals with two separate things. The first is a provision to reduce the maximum fine and the maximum length of time for which a man may be sent to prison in lieu of paying a fine. The fine is to be reduced from $500 to $50 and the jail term from six months to one month.

The hon. member for Bow River has pointed out a considerable number of instances in which a fine of $500 would not be applicable. I do not think there is any question but that the regulations under the National Parks Act and probably the act itself need revision. Certainly a good many of the regulations should be revised and the whole thing put in better shape. There are undoubtedly a considerable number of anomalies either in the act or in the regulations. I do not know where they come as between one and the other.

However, I am in some doubts as to whether the way to correct this situation is the way that is set out in the first section of this bill, by making a general reduction in the amount of the penalty from a $500 fine to a $50 fine. There are some regulations under which probably a $500 fine is required. I might just cite one example where it would be a mistake to reduce the amount of the fine. Take the case of a man who is extremely anxious, we will say, to shoot bighorn sheep, and they are very difficult to shoot. He has perhaps tried for some considerable time, it may be days or weeks, outside the confines of the park and has not managed to shoot one. He is coming back home through the park. He sees one on the side of the road, as very frequently happens, and he is extremely anxious to have a trophy or to make that particular type of kill. If he is assessed only a $50 fine he might think it is quite cheap. It is much less than he would pay for the time he has spent in trying to hunt one before, so he might well shoot the sheep and say, "If I am caught and have to pay the fine, that is all right; I do not mind paying the $50".

Mr. Johnston (Bow River): How about six months' hard labour?

Mr. Harkness: I think there are cases of that sort, in which the provision of a $500 fine or six months in jail might be justified, and I think this method of trying to change a situation which is bad and which needs to be changed should be looked into. I fully agree with the hon. member for Bow River

that a considerable amount of change is necessary, a considerable amount of improvement is long overdue.

What I am expressing doubt about is whether this particular means of doing it is the way it should be done. I do not think it is. Perhaps the maximum of $500 should remain. What should be done is an amendment of the act requiring that the various types of offences should be put in categories. The offence of picking flowers, for example, would be a category which might carry a maximum $10 fine, or something along that line; whereas the matter of killing game perhaps should call for a $1,000 fine. In other words, instead of having just a blanket coverage, as it is, of $500 today and of $50 if this amendment should carry, the offences should be in a series of categories. I believe that would make for a much better situation, and one which would cover the general running of the park much more adequately than at the present time.

What I would suggest to the sponsor of this bill to begin with is that the first clause be amended to provide for something along that line.

Mr. Johnston (Bow River): I say to the hon. member that I should like to have the whole act revised in order to give some relief.

Mr. Harkness: Yes. I would suggest to the minister that he take this matter up with his officers and bring in an amendment in place of section 1 of this bill which would cover the matter along the line that I have suggested. We would then get away from the situation where we have so many anomalies as exist at the present time.

The second part of the bill deals with the matter of the right to search a man's house without a warrant. I think practically everyone will agree that a man's home should be pretty well inviolate. It should not be entered by officers of the crown or by officers of the national parks branch or by anybody else without a search warrant. The excuse which is put up for this, as the minister has already indicated, is that it applies only to game or offences in connection with game; but included in that is the possession of firearms, fishing rods or other equipment of that sort.

Under these circumstances it is extremely easy for an official of the national parks branch to enter anybody's house in the national parks without a warrant and make a search. As it definitely states in the act as it stands, he may examine any trunk, box, barrel, parcel or other package or receptacle, and so on. In other words he is pretty well free to do what he wants under the act as it stands, and all he has to plead in justification for going into a man's house, whether he is actually there or not, breaking into the house if he wishes to do so, and turning everything inside out, is that he thought this man might have some illegal game there or that he might have a weapon or a fishing rod or something else with which he chose to take game illegally. In other words, it provides too much opportunity for abuse. I think the minister should agree to accept that provision and do away with this right of search without a warrant as far as the national parks are concerned under the provision as it stands.

It seems to me that this bill is designed to improve the situation generally in the national parks. It has been brought forward with that idea in view. I hope the minister will accept the second provision particularly, and agree to bring in a changed form of the first provision so the penalties for various types of offences may be adequately dealt with.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I am really sorry that I cannot accept the suggestions of the hon. member for Calgary North, for reasons I shall give in detail. I am not in a position to accept the principle of the bill.

The bill itself deals with two matters. It contains two amendments. First of all let us deal with the section of the bill which suggests that the maximum fine to be imposed in case of an offence be reduced from $500 to $50 and the maximum imprisonment from six months to one month. I agree that there are a variety of matters covered in the regulations under the National Parks Act. I agree that some of the offences that can be committed against these regulations are trifling; but this is a general penalty clause in the act which covers all the offences.

It seems to me that both hon. members who have spoken tend to forget that the judges in Canada are pretty reasonable men, and also that the officers in the parks, before a prosecution is launched, think twice and in most instances refer to head office here in Ottawa. I can assure the hon. members that the officers of the department are pretty reasonable. I have not heard of any case where there has been a prosecution because a stone was turned or because a flower was cut. There has to be some regulation over matters which seem trivial if we want to preserve the natural beauty of our parks,

and these regulations simply must exist. If they are broken in good faith it is understood that it is the practice not to prosecute, and in fact this has been the practice.

There are both minor and important matters; that is why the penalty clause provides for a maximum fine but no minimum is provided for. The judge who hears the case of a person who is accused on summary conviction of an offence against park regulations will deal with the offence according to its gravity.

Mr. Johnston (Bow River): The decision depends on the judge.

Mr. Lesage: I have great confidence in the judges of my country. They have proven in the past that they are worthy of the greatest confidence.

Mr. Johnston (Bow River): There was an example in Quebec just a little time ago.

Mr. Lesage: There may be accidents, sir, but we have courts of appeal and means are provided by law to correct errors of judgment on the part of judges. In practically all cases we can have confidence in our judges. The judiciary is above reproach. I have the utmost confidence in our judges.

Mr. Johnston (Bow River): Mr. Speaker, I would not want my comment interpreted as being critical of the judiciary. We are not discussing the judges but the law, and I was speaking about the law.

Mr. Lesage: When the hon. member made his speech he spoke as if the law were so written that there was a fine of $500 imposed automatically for the most trivial offence which, of course, is not the case.

Mr. Johnston (Bow River): No, no.

Mr. Lesage: First of all there has to be a decision as to whether or not there will be a prosecution, and these decisions are made by reasonable people. Second, when it is decided to proceed with a prosecution the case is heard by a justice. I say that the judges in Canada are reasonable people and they are there to render justice. That is why in all our acts you provide—and I say you because parliament has so provided—for maximum fines and maximum terms of imprisonment and in most instances there is no minimum provided.

The general penalty clause on summary conviction under the Criminal Code adopted by parliament only two years ago provides in section 694 for a maximum fine of $500 and six months' imprisonment. May I read section 694, section 1:

> Except where otherwise expressly provided by law, every one who is convicted of an offence punishable on summary conviction is liable to a fine of not more than five hundred dollars or to imprisonment for six months or to both.

That is the general law in Canada. I say that the penalty section of the parks act is in accordance with the general law of Canada.

There are other federal acts which have penalty clauses; for instance, the Meat Inspection Act, which is chapter 36 of the revised statutes of Canada, 1955, in its penalty clause provides for a maximum fine of $500 or six months' imprisonment or both. The Unemployment Insurance Act provides for a maximum fine of $500 or six months' imprisonment or both. The Immigration Act provides for a maximum fine of $1,000 or one year's imprisonment or both. The Northwest Territories Act provides for a fine of $1,000, maximum, or one year's imprisonment, maximum, or both. The Yukon Act has a similar provision.

We also have provincial acts which have similar penalty clauses. The game and fisheries acts of the various provinces indicate similar penalties. The game act of the province of British Columbia, where there is a Social Credit government in power, provides for a penalty not exceeding $1,000 and imprisonment for not more than 90 days.

Mr. Hahn: Mr. Speaker, on a point of order—

Mr. Lesage: The game act of Alberta, the province of my hon. friend, provides penalties—

Mr. Speaker: I understand that the hon. member for New Westminster (Mr. Hahn) is rising on a point of order.

Mr. Hahn: I would like to ask the minister at what point in these proceedings any one from British Columbia has indicated that the Social Credit governments were endorsing this legislation.

Mr. Lesage: Mr. Speaker, I am very glad to hear a Social Credit member from British Columbia dissociate himself from the proposal of the hon. member for Bow River.

Mr. Hahn: Mr. Speaker, on a question of privilege, I did not dissociate myself. I asked the minister a question and the question was this. At what point in the proceedings did any member of the Social Credit party from British Columbia indicate that his party was endorsing this type of legislation?

Mr. Lesage: Mr. Speaker, the game act of Alberta provides penalties up to $1,000 and

imprisonment for terms not exceeding six months for one section and not exceeding $200 and imprisonment for terms not exceeding three months in other sections. The game and fisheries act of Ontario provides for penalties of not more than $500 for each animal.

Sir, it is six o'clock.

On motion of Mr. Lesage the debate was adjourned.

Mr. Speaker: As it is six o'clock this house stands adjourned until Monday at 2.30 p.m., daylight saving time.

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

ANSWERS TO QUESTIONS

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

DISABLED PERSONS ALLOWANCE APPLICATIONS—ATLANTIC PROVINCES

Question No. 247—**Mr. Stuart (Charlotte):**

1. What is the total number of applications for disabled persons allowance in the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland?

2. How many are receiving this allowance in each of these provinces?

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

1 and 2.

	N.B.	N.S.	P.E.I.	Nfld.
As of February 29, 1956:				
Number of applications received	2,887	3,020	899	682
Number of recipients	932	1,151	286	579*
Number of applications pending	40	113	152	100
Number of applications rejected for other than medical reasons	271	384	254	20

(*Includes cases originally under provincial plan and transferred to federal-provincial plan.)

ROCK WORK, FRASER RIVER, B.C.

Question No. 392—**Mr. Goode:**

1. What is the exact geographical location of rock work, financed by federal funds, actually completed since July 1949, on the Fraser river, in the municipality of Richmond, British Columbia?

2. Has a height of 14 feet been specified?

3. On work actually completed, what was the value of each successful tender in 1949, 1950, 1951, 1952, 1953, 1954 and 1955?

4. What value, in dollars, is contemplated for 1956?

Answer by: **Hon. Robert H. Winters (Minister of Public Works):**

1.

Fiscal year	Geographical location
1949-50	Nil
1950-51	Shell road to Gilmore slough
1951-52	Vicinity No. 6 road and Canada Rice Mills
1952-53	Nil
1953-54	Between No. 2 and No. 6 roads
1954-55	Between No. 3 and No. 4 roads
1955-56	Garry point, No. 2 to No. 6 roads

2. All river bank protection where it does not form part of a training wall is now being specified to an elevation of 14 feet above sand head datum. Some of existing bank protection was specified to 14 feet and some to lower elevations.

3.

Fiscal year	Amount
1949-50	Nil
1950-51	$12,989.48
1951-52	3,250.00
1952-53	Nil
1953-54	157,000.00
1954-55	21,385.00
1955-56	165,000.00
" "	18,696.00

4. Garry point, $192,000.00; Lulu island, $66,000.00.

[The following items were passed in committee of supply]:

DEPARTMENT OF PUBLIC WORKS

Harbours and rivers engineering branch—

365. Branch administration, including district engineers, staffs and related expenses, $2,381,423.

366. Construction or acquisition of buildings, works, land and equipment, $94,900.

Dredging—

367. Maintenance and operation of plant and contract and day labour works, $3,499,100.

368. Construction or acquisition of plant and equipment, $379,150.

Graving docks—

369. Maintenance and operation, $979,200.

Locks and dams—

370. Maintenance and operation, $296,368.

Roads and bridges—

371. Maintenance and operation, $336,643.
372. Newfoundland, $2,260,601.
373. Nova Scotia, $2,532,000.
374. Prince Edward Island, $925,000.
375. New Brunswick, $2,125,000.
376. Quebec, $3,245,000.
377. Ontario, $5,146,500.
378. Alberta and Northwest Territories, $120,000.
379. British Columbia and Yukon, $3,493,500.

Generally—

380. Repairs and upkeep, including reconstruction and replacements for the maintenance of services; to provide for wharf repairs at Ste. Angele de Laval, Quebec, and to authorize commitments against future years in the total amount of $420,000, no new works to be undertaken, $3,185,000.

381. To provide for remedial works where damages are caused by, or endanger, navigation or federal government structures and to complete protection works already under way, $700,000.

Development engineering branch—

382. Branch administration, including district staffs for highways and bridges, and related expenses, $861,997.

383. Testing laboratory—operation and maintenance, $517,115.

384. International bridge over the St. Croix river between St. Stephen, New Brunswick, and Calais, Maine, the state of Maine to pay a like amount, $150,000.

385. Construction of spans of bridge over the interprovincial channel of the Ottawa river between Pembroke, Ontario, and Allumette island, Quebec, $450,000.

Trans-Canada highway—

387. To provide for surveys and construction of the trans-Canada highway through national parks, $11,000,000.

388. Payment to the province of Manitoba, being 50 per cent of the province's contribution to the city of Winnipeg for reconstruction of Broadway avenue, as part of the trans-Canada highway, $36,633.

General—

389. Miscellaneous works not otherwise provided for: a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000 in the case of any one building construction project, $800,000.

HOUSE OF COMMONS

Monday, April 30, 1956

The house met at 2.30 p.m.

WAR MEMORIALS

STATEMENT ON NATIONAL CENOTAPH AND WORLD WAR II BOOK OF REMEMBRANCE

Hon. Hugues Lapointe (Minister of Veterans Affairs): Mr. Speaker, I wish to announce the policy of the government regarding the selection of a repository for the world war II Book of Remembrance and a site for the national cenotaph to honour Canada's youth who have given their lives in the cause of freedom. In my statement, which appears on page 2122 of *Hansard* of March 14, 1956, I informed hon. members that an advisory committee had been established to consider these matters and that the committee's report was receiving the attention of the government.

The government has accepted the unanimous recommendation of that committee and has decided that a national memorial, to honour our fallen of all conflicts and to house the world war II Book of Remembrance, shall be constructed on Nepean point in the city of Ottawa where an area shall also be provided for the erection of a national cenotaph and for the holding of national commemorative services. This memorial will take the form of a structure of a design appropriate to keep alive the remembrance of all those who have given their lives for Canada. The focal point within the memorial will be the Altar of Remembrance. The matter is now in the hands of my colleague, the Minister of Public Works (Mr. Winters), who is proceeding with the preliminary arrangements and planning for the construction of the memorial and the cenotaph.

Besides serving as a repository for the world war II Book of Remembrance, it is intended that the memorial shall also house a copy of the world war I book. It is not the intention to move the world war I Book of Remembrance from the memorial chamber in this building which, as hon. members know, in its decorative treatment, refers specifically to that conflict. However, relatives of the fallen and citizens at large who visit the national memorial in the future may wish also to see the world war I Book of Remembrance and it is thought appropriate that a copy should repose there.

The committee in its report considered the possibility of the preparation of books of remembrance for those who lost their lives in other conflicts such as Korea and those previous to world war I.

The world war II Book of Remembrance will be completed in the autumn of 1956, and it was therefore necessary for the committee to consider a temporary repository for the book until such time as a permanent repository could be constructed. The government has accepted the committee's recommendation that the book be placed in the houses of parliament, and it has now been decided that a temporary base, on which the book will rest, shall be placed in the memorial chamber. This will have the advantage of having both books of remembrance in the same location until the national memorial is ready.

In its annual brief to the cabinet last November, the Canadian Legion recommended that a national cenotaph be erected and suggested that it be situated in the grounds in front of the peace tower. However, after much consideration, the advisory committee concluded that the most suitable location would be found in the area near the proposed national memorial where there would be ample space for national commemorative services, with parades of service personnel and veterans, and a large gathering of the public. I might say that it is not the intention to move the world war I national memorial from its position in Confederation square where it is perhaps the most conspicuous monument to meet the eye of the visitor approaching this capital city by the driveway from the south.

[*Later:*]

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 Veterans Affairs consequent upon the statement he made a few minutes ago. I understand from that statement that the new veterans' memorial is to take the form of an altar. Is that altar to be of the same nature as the altars found in the war graves areas maintained by the imperial war graves commission? If I may, I should like to say that I am very glad to hear that this memorial is to be constructed, as I am sure the veterans of Canada will be.

Mr. Lapointe: Mr. Speaker, as I mentioned in my preliminary statement, the plans of

this memorial are being prepared by the Department of Public Works. I am afraid I cannot give a specific answer to my hon. friend's question with regard to the details of the altar.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING COURTS, APPLICATIONS, CERTIFICATES, ETC.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration) moved the first reading of Bill No. 256 (from the Senate), to amend the Canadian Citizenship Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to bring in a measure to authorize the Canadian National Railway Company to make capital expenditures in the year 1956 not exceeding $233,564,000 and to make certain capital expenditures and enter into certain contracts prior to July 1, 1957; to authorize the national company to issue securities to provide amounts required for the authorized expenditures; to provide that, except as expressly provided, the aggregate principal amount of securities outstanding at any time shall not exceed $203,994,000; to authorize the governor in council to guarantee the principal and interest of securities issued by the company for the purpose aforesaid; to authorize the Minister of Finance to make loans to the said company secured by such securities and not exceeding $203,994,000 in principal amount to enable the said company to meet such expenditures and with authority to give financial aid and assistance to other companies of the national system.

Motion agreed to.

TARIFF BOARD ACT

AMENDMENT TO INCREASE MEMBERSHIP OF BOARD FROM THREE TO FIVE

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Tariff Board Act to increase the membership of the board from three to five members and to provide for the salaries of the new members.

Motion agreed to.

[Mr. Lapointe.]

MOTION FOR PAPERS

AIRPORTS—EXPROPRIATION OF PROPERTY, VIRDEN, MAN.

Motion No. 72—**Mr. Dinsdale:**

For a copy of all letters, telegrams, memoranda and other documents, in possession of any department of the government, relating to the expropriation of the farm of August Fontana, of Virden, Manitoba, by the federal government, in 1940, for the purpose of establishing an airfield.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, there is no objection to the adoption of this motion on the understanding that it does not extend to include interdepartmental correspondence or other privileged communications of that kind.

Mr. Speaker: Motion carried, subject to the reservations made by the Minister of Transport.

FLOODS

MANITOBA—REQUEST FOR ACTION TO ALLEVIATE DANGER—COMPENSATION FOR DAMAGE

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. In view of the very serious damage already caused in rural Manitoba as a result of the flooding of the Assiniboine river, will the government consider having steps taken to have the public works department do such dredging or other construction as may be necessary to prevent a recurrence of this condition, and also might I ask if the government has given any consideration to taking steps to see that those farmers and others who have suffered damage by reason of this flood will be compensated?

Right Hon. L. S. St. Laurent (Prime Minister): I do not think we should take the initiative in seeking out claims for damages to be paid by the taxpayers of Canada generally to those who suffer from floods. There are some disasters that are of such magnitude that the public opinion of the nation is moved and it is felt that there should be some assistance given. But I think it would be quite a wrong attitude to take that the taxpayers of the nation generally are the insurers of each other against damages that do happen every year in very many places throughout the nation.

I have been receiving communications that would imply that there is a responsibility for any flooding from a stream that at any time was regarded as a navigable stream. Of course, where there are really navigable streams there are efforts made to keep them as free from obstructions as possible and to

do that which will minimize the possibility of floods. Now, with respect to the first part of the hon. gentleman's question he will remember that after the flood of 1950 there was a joint commission set up to examine the measures that might be taken to minimize the dangers of these floods, and a very intensive study was made of the situation. The costs of the measures suggested were indicated and some time ago the premier of Manitoba, to whose government the report had been submitted, wrote suggesting that we should take the initiative in setting up another commission to determine whether the economic value of the diminution of the danger would be anything like the cost of providing these works. We wrote back suggesting that our personnel was always ready to co-operate with them, but that was something the initiative for which should be taken by the government of Manitoba itself. I can assure the hon. gentleman that if there was any thought that by some dredging of the Assiniboine river these dangers could be overcome, that would be done at once.

I am not an engineer, but I understand that it would require very extensive engineering work to have any effect upon that area because there are floods that come from not only the Assiniboine but the tributaries to the Assiniboine, the Red river and also from the lakes into which these rivers flow. The whole matter is one of very serious concern to the people of that area and I am sure that the hon. gentleman was delighted, as we all were, to hear these reports that the weather we have been having over the last few days has diminished very substantially the fears that were entertained about the flood possibilities this year.

There have been some floods from the Assiniboine and from the LaSalle and I know that everything that can be done at this time is being done. As to the ultimate solution, it will require further studies before any conclusion can be reached because I understand that the Assiniboine now flows through dikes that are much higher than the level of the surrounding plains. These are matters of great concern, but there are these cycles. It is not so very long ago that there was concern expressed about the sufficiency of water, and now the concern is about the possibility of providing ways through which these abundant waters can reach the northern seas. The subject will have to receive further study. We cannot take the position that it is the responsibility of the federal government to take the initiative for these problems which arise in all of the ten Canadian provinces.

The hon. gentleman realizes, as I do, that there are still Canadian provinces and that they have jurisdiction over their local affairs, but there are matters which require the co-operative efforts of the federal government representing the taxpayers of the whole nation. The problems have to be studied and examined and recommended upon by the local authorities. Up to the present time I think the federal government has, whenever there has been a major disaster that was looked upon as such by the Canadian public generally, recommended to parliament such measures as were acceptable to the Canadian public generally.

Mr. Drew: Mr. Speaker, merely to clarify one point, I of course would emphasize as well as accept the proposition that there are provinces, whose rights must be very carefully recognized in a matter of this kind; but my question was premised on the proposition that the Assiniboine river is a navigable river and therefore under the jurisdiction of the federal government to that extent. My question was related to that. I would simply express the hope that as a result of what has taken place consideration will be given to the possibility of dredging and of other work from the point of view of control over a navigable stream.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister a supplementary question? Despite the reports of good weather to which he referred, is he not aware of the fact that the floods from the Assiniboine already constitute a major disaster for many of the farmers in Manitoba? Has this government not already received a request from Premier Campbell for assistance from the Prairie Farm Rehabilitation Act authorities of the federal government?

Mr. St. Laurent (Quebec East): There have been requests for assistance in work that might be done to minimize the effects of the floods but no request from Premier Campbell for damages resulting from the floods—

Mr. Knowles: He is always slow.

Mr. St. Laurent (Quebec East): —has yet been received. The hon. gentleman will remember that when those floods are raging they look much worse than fortunately they turn out to be when the season has advanced.

That has been the experience in the past with these floods that affect farm lands although I do know that floods are affecting the very valuable farm land which is part of the portage plains. Consideration will

have to be given to the construction of permanent work that will perhaps require co-operation between the federal government and the government of the province of Manitoba. To effectively control floods, reservoirs would have to be provided. Attention has been given to the question as to whether the benefits would be sufficiently larger than the damage caused by taking what are now agricultural lands for the construction of the reservoir beds. That question is being studied.

Mr. Knowles: Mr. Speaker, may I ask another supplementary question? When this present disaster is over may we expect more effective action on this question in the future than we have had in the interval since the flood of 1950 from the federal and provincial governments and the international joint commission?

Mr. St. Laurent (Quebec East): I am not sure what the international joint commission could do about it. As the hon. member knows, a detailed report was prepared as much as three years ago which has been receiving consideration since that time. It was only within the last few weeks that there was this request for a commission to seek to make an appraisal of the economic benefits as compared with the costs of the work suggested in any of the alternatives reported upon by this joint commission.

[*Later:*]

On the orders of the day:

Mr. G. K. Fraser (Peterborough): Mr. Speaker, I would like to direct a question to the Prime Minister with regard to the Winnipeg floods. Can the Prime Minister say what happened to the surplus money that was turned back after the relief funds were collected in 1950? Could that be used for any relief at this time?

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, I would have to make inquiries. There was a body incorporated by parliament to receive in trust what was left from that fund. I have not had notice of this question and I am not in a position to say exactly what is the state of the fund at the present time.

Mr. William Bryce (Selkirk): Mr. Speaker, I should like to ask a supplementary question or add to the previous question. I have just come back from that area and people who have had no crops for two years are likely to have no crops this year. I hope when they are looking over the Assiniboine valley they will do something for the interlake country where they have had no crops for two years.

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

LABOUR CONDITIONS

RAILWAYS AND NON-OPERATING UNIONS —CONCILIATION BOARD REPORT

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Labour. Will the minister inform the house if he has yet received word from the railway companies with reference to their decision in the dispute which is now being conciliated? Is it true that the railway companies have refused to accept the recommendations of the conciliation board?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, a letter written on behalf of the railway companies arrived at my office on Saturday afternoon and came to my desk this morning. It is a rather long letter and, after setting out quite strong disagreement with some phases of the majority report and also pointing out the difficulties with regard to financing, the letter concludes—and I can do no better than to paraphrase the last paragraph of the report:

> However, the acceptance by the unions of the majority report based on a contract term in excess of one year creates a new situation in which the railways are prepared to do everything possible consistent with their responsibility to the public to reach an equitable settlement of this dispute. They will be glad therefore to meet the unions for negotiation looking to the development of such a satisfactory basis of settlement.

DOMINION-PROVINCIAL RELATIONS

AGRICULTURE—REPRESENTATION AT RECENT MARKETING CONFERENCE

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister give the names of the representatives of the farm organizations who took part in the agricultural marketing conference held in Ottawa on April 16, 17 and 18 and as referred to on page 2774 of *Hansard* of April 10, 1956?

Mr. Speaker: Should not this question be placed upon the order paper? The hon. member would get an answer, I am sure, with no delay.

Mr. Dinsdale: Mr. Speaker, on a question of privilege—

Mr. Speaker: If the question is such that the country might collapse if an answer was not given I suppose I should not be so severe, but the question should be one of great urgency.

Mr. Dinsdale: It is rather urgent to the parties concerned.

An hon. Member: To know whether they were there?

Mr. Dinsdale: Organizations were not aware that they were at the conference.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I shall have to take the question as notice because there were at least 19 representatives there, or entitled to be there. I was not there all the time myself and am not certain whether they all attended. I shall have to get the record to find out who was there and answer later.

Mr. Argue: Why did you not invite the farmers?

CANADA EVIDENCE ACT

SUGGESTED USE OF MICROPHOTOGRAPHIC FILM AS PROOF OF RECORDS

On the orders of the day:

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, on Thursday last the hon. member for Peterborough (Mr. Fraser) asked me this question:

> Has any consideration been given to amending the Canada Evidence Act so that microphotographic film would be taken as proof of records of municipal governments?

I do not think there is any great urgency to this question, so as the answer is rather lengthy I suggest that I be permitted to place it on the record.

Our files indicate that this question has been considered on at least three occasions upon the basis of representations by or on behalf of municipalities in Ontario. On each occasion we have refused the requests of the municipalities upon, amongst others, the following grounds:

1. As I have already indicated, the Canada Evidence Act applies only to criminal prosecutions and proceedings in the Exchequer Court of Canada. It would therefore seem that an amendment along the lines proposed, to the Canada Evidence Act only, would be of little assistance to municipalities. For them, amendment of the provincial evidence act would seem to be more appropriate.

2. Whether under such a provincial amendment municipalities should be permitted to destroy documents and rely for evidence on photographic copies thereof is a decision which we think should be made by the provincial authorities which created the municipalities and clothed them with their present powers and responsibilities.

3. If provision were made in the provincial law of evidence for proof of municipal records by production of photographic copies, such provision would apply to criminal proceedings and proceedings in the exchequer court by virtue of section 36 of the Canada Evidence Act, R.S.C. 1952, chapter 307, which provides that in all proceedings over which the parliament of Canada has legislative authority the laws of evidence in force in the province in which such proceedings are taken apply.

SUPPLY

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee of supply.

TAXATION—REQUEST FOR RELIEF FOR MUNICIPALITIES

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in accordance with the custom that has been established upon the presentation of this motion I am availing myself of this opportunity to bring up a subject which has assumed increasing importance throughout the whole of Canada. It has been discussed here before, it has been dealt with by many public bodies, but it assumes today a sense of urgency which calls for consideration here and in every part of this country. I am referring to the plight of the municipalities, caught as they are by the withdrawal of taxing powers and with the enormous increase in expenditures with which they are confronted.

We read constantly about the crisis in education. We read a great deal about the demands in the field of health. We read a great deal about the need for improvement in the general structure of our highway system throughout the country. We read a great deal about the need for modernization of our facilities for handling the highway traffic of this country. All these and other similar problems must be faced in varying degrees to an extent never before contemplated by the municipal governments of Canada.

Those municipal councils, whether they be urban councils or rural councils, must deal with the wholly basic requirements of the daily life of our people. Through the school boards which are associated with the municipal councils in the local activities, they must deal with problems of education as well as public works, public investment, streets, sewers, water supplies, light, unemployment relief, housing, health, welfare, their portion of the main provincial and county highways and many other services which are more intimately associated with the daily needs of each one of us than many of the very important things that we are called upon to deal with here.

Proposed Tax Relief for Municipalities

The costs and responsibilities of local governments have soared beyond belief and they show every sign of increasing enormously within these next few years. The resources available for municipal governments are neither adequate nor flexible enough to produce the revenue which they need. As we think of this problem and as we consider the ways in which it does fall within the possible action of this parliament to do something about it, we should project our minds forward to what is going to happen in the years very soon ahead of us in order to contemplate what may happen unless something is done and done very soon. By 1975 or quite soon after that date there are reasonable prospects that this country will have a population of 30 million people. We see evidence of an increasing movement of population to the urban or suburban areas. We see the increased need for internal transport facilities within municipal areas that are expanding rapidly into the suburban areas as well as part of an integrated plan of development.

In addition, there are many new needs which will arise. Already it has been necessary for some of the provinces to consider the need for special supplies of water to meet the domestic requirements because of the enormous demands on the ordinary water supply which is not adequate to meet the greater size of the urban communities. It is simply beyond the ability of municipal governments to meet these responsibilities within the limits of their present revenue resources.

Some new methods must be found. There must be some adjustments to ease the burden. There must be some adjustments to facilitate their work. As the Prime Minister (Mr. St. Laurent) mentioned before, repeating what I had occasion to say not long ago elsewhere, we must remember at all times that there are the provinces and we must remember that the municipalities, to use the classic expression, are the legal creatures of the provinces. We must recognize that under our federal system the laws governing the provinces in relation to their municipal activities are provincial laws. Nevertheless there are ways in which things can be done by this parliament at the instance of the government of Canada which would assist them greatly at this time.

We have been told publicly as well as in presentations to the federal government that the government must take a more realistic view of the present situation and the new situation with which the municipalities will be confronted. The offers that have already been made for financial adjustment between the Canadian government and the governments of the provinces have been described as unrealistic. They have been described in other terms in different parts of Canada. One of the things that is certainly clear, and clear beyond all question, is that the present proposals which have been made in that field will not meet this urgent need of the municipalities.

One of the places where the parliament of Canada can do something effective is with regard to sales taxes and other excise taxes on purchases by municipal governments. There is something that is the direct and exclusive responsibility of this government and of parliament. Having regard to the fact that it involves a money problem, any move to solve this question must come from the government. They must be prepared to indicate their willingness to deal with it if it is to be dealt with at all.

Then there is another matter that comes entirely under the jurisdiction of this parliament and of the government. That is the situation created by the increasing area of land that is held by the government in the various municipalities and which is therefore exempt from taxation. There is a long history in regard to this situation which need not be repeated at this time. Naturally the municipalities welcome the services which are given by many of these crown corporations or other crown bodies. The fact remains, however, that as the land area taken over in this way increases, it does also accentuate the problem and the difficulties faced by the municipalities themselves. One of the things which most strongly emphasizes the unreasonable nature of this tax is the fact that where the very same things are bought by the provincial government they are exempt from taxation. I know there are certain exemptions. I know that there are exemptions under certain conditions in the case of road-making machinery and equipment of that kind. But generally and with very few exceptions the municipalities are taxed for all the equipment they buy which is needed for the people of Canada.

After all, nearly all the people of Canada live within the boundaries of some municipal body. Nearly all the people of Canada are greatly concerned at the present time with the rapid increase in the level of taxation. Nearly all Canadians are therefore directly affected by taxes on things which they need for their own daily use and which are not in any way part of ordinary daily trade or in any way luxuries or things that any of these people can do without. The municipalities require them for the actual needs of the people themselves.

I believe it is contrary to the whole principle underlying the imposition of sales

tax and of excise taxes that they should be imposed upon equipment, machinery and things of that kind or supplies of any kind bought by the municipalities for the use of the people themselves. Unless this were contrary to the underlying principle which guides governments in the imposition of taxes of this kind, there surely would have been no reason for exempting the provincial governments from the application of these provisions. The very fact that provincial governments were exempted emphasizes the acceptance by this government of the proposition that these taxes would not normally apply to things of this kind. Why should municipalities and the school boards within municipalities be called upon to pay sales tax and excise taxes on school equipment used exclusively for education as well as on equipment which is required for the service of these schools?

Certainly the government of Canada and the parliament of Canada must not invade the field of provincial jurisdiction where it is exclusively conferred upon any province under our basic constitution. This, however, is something very different. The government is constantly asked to help in education. Here is one way in which it can do so without any question of jurisdiction arising at all. By exempting school equipment, school supplies and the things that are needed for our schools there is given a direct and immediate assistance in the field of education and entirely within the realm of federal jurisdiction. When the provincial governments are exempted from these taxes, it seems strange that you should come to the boundary of the municipality and find that, just outside, exactly the same activity can be carried on with equipment or machinery that pays no tax of this nature whereas right inside the boundary the same machinery or equipment must pay this tax. All these people live within the provinces and they all live under provincial laws, whether they be laws applying to the activities of the province as a provincial body or to the activities of the municipalities as bodies set up in law by the provincial legislatures. Surely here is one case where we may well ask why this unfair tax is imposed.

There has been much discussion here about the cost of health. This government has been discussing ways in which it can assist in the field of health. Surely there can be no reason of any kind for medical supplies used by the health services in the municipalities being called upon to carry sales tax and excise taxes. It is imposing a senseless and onerous burden upon the municipalities in their carrying out of an essential and necessary responsibility.

Then let us examine the case of crown properties. These have been expanding constantly. With new types of construction, and with new development of the activities of the Canadian government, the area occupied by the Canadian government in many fields has expanded enormously. Whatever method may be devised, there should be adopted some method which will make available to all municipalities the equivalent of the local taxes on the property taken over in this way by the government of Canada on behalf of the people. It is no answer to say that these services are for the general welfare of Canadians. They are. But this is a type of tax that was intended for some entirely different purpose. This is a type of tax that was intended to apply to things that people themselves as individuals buy and sell. I can only repeat my argument that had that not been the case there would have been no reason whatever to have exempted the provincial governments from the application of these taxes.

It is quite true that if the government should give favourable consideration to this proposal—and I would strongly urge the favourable consideration of a proposal which has been put forward on a number of occasions and which I put forward very earnestly today—that action still would not meet the immense needs of the municipalities at this time. Nevertheless, it would be a positive start. It would be evidence of the intention of the government of Canada and the parliament of Canada to recognize within the field of its own jurisdiction the needs of the municipalities and what should be done.

This is not a subject which we raise here for the first time, Mr. Speaker. This is not a subject which we alone have raised from time to time. It is a subject that is being discussed in every part of Canada. It is particularly a subject that is being discussed by the municipalities right across Canada. This year there was presented to the government of Canada by the Canadian Federation of Mayors and Municipalities a brief which sets forward the needs of the municipalities in a comprehensive, understandable, reasonable and very moderate manner. One of the points raised in this brief suggests another place where the government of Canada might give a lead in dealing with these problems. It asks that consideration be given to making operative again the Municipal Assistance Act of 1938. I am not going to argue whether that act, in detail, should be made fully operative today. I mention merely that the very responsible body which is described as the Canadian

Federation of Mayors and Municipalities had this to say on page 9 of the brief:

> Another resolution of the federation's 1955 conference calls upon the federal government to again make operative the provisions of the Municipal Assistance Act, 1938, in order that funds may be made more available to municipalities at low rates of interest for the construction of self-liquidating projects.

This act, Mr. Speaker, provided for finances from the government of Canada to municipalities for self-liquidating projects such as water works, sewage disposal systems and things of that kind. The act called for the co-operation of provincial governments, and under that act certain sums of money were advanced in different parts of Canada prior to the outbreak of the second world war. Under that act money was made available at 2 per cent interest for these self-liquidating projects. I am not going to argue today what the interest rate could be or should be in such an act.

I point out that here again is an example of the way in which the government of Canada can take steps to assist the municipalities within their constitutional jurisdiction in matters of this kind. Certainly it would greatly help municipalities at this time if funds were available at substantially reduced interest rates for public development.

In any event, whether or not that particular act be considered, the very fact that this recommendation is made by the Canadian Federation of Mayors and Municipalities is in itself evidence of the urgent demand they are making for assistance and co-operation at this time. As I have said before, exemption from the sales tax and other excise taxes, payment of the equivalent of municipal taxation on crown property, and the introduction of legislation such as that to which I have referred, would not in itself solve this tremendous problem. It would, however, greatly help. It would end the plundering of the municipalities, and it is nothing less than that, under a tax which was meant for an entirely different purpose from that which is under consideration here. I think it is of immense importance at this time that we devote our attention in every way we can, within the limits of our fullest jurisdiction, to the needs of the municipalities.

I think it is also vitally important that in the arrangements that may be made with the provincial governments consideration should be given to the position of the municipalities and the need for opening wider areas of taxation for municipal councils than are now available to them. There is certainly nothing imaginary about this problem. It is being discussed right across Canada; it is being considered, and it is causing very great concern. We have had reason, in these last few days, to think a great deal about the strength of our own free system of government. We have seen emphasized in different ways the distinction between our democratic system and a system which is entirely contrary to that under which we live. One of the things, it seems to me, that could well be borne in mind in considering this tremendously important subject is that the municipalities are, in fact, the places where democracy finds its greatest strength. The municipal body is, in fact, the cradle of democracy. Municipal government existed before national governments. Municipal government is closest to the people. Municipal government should be free in every way that is possible from any restraint upon the exercise of the judgment and good common sense of those who are elected to deal with municipal affairs in the various municipal councils. The strength of our democracy in Canada will be measured to a great extent by the extent to which we preserve the flexibility, independence and financial strength of these municipal organizations.

It was with that thought in mind, as well as the urgent and compelling needs that have been expressed by representatives of the municipalities, that I brought this subject before the house. I therefore move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

> That all the words after "That" to the end of the question be deleted and the following substituted therefor:
>
> "this house is of the opinion that immediate consideration should be given to measures to assist the municipalities of Canada to meet their mounting financial problems, and in particular the immediate introduction of legislation which will provide for the exemption of all municipal councils and school boards from the payment of excise taxes including the 10 per cent sales tax, and which will further provide for payment to municipalities of the equivalent of full municipal taxes."

Mr. M. J. Coldwell (Rosetown-Biggar): There are many members of this house, Mr. Speaker, who have been members of municipal councils and I think, therefore, that many of us will have complete sympathy with the representations made by the mayors and municipalities to the Gordon commission and elsewhere, and indeed with the Leader of the Opposition (Mr. Drew) and the suggestions he has made for the relief of the municipalities. It is incongruous that the central government of Canada should tax the junior governments for supplies they need to carry on their activities in the municipal and provincial fields. The suggestion contained in the proposal of the Leader of the Opposition as outlined in the amendment to relieve them

of such imposts, is one which should command the attention of the Minister of Finance and the support of all hon. members; therefore, I am very glad indeed to support it.

The other proposal that the federal government should pay to the cities amounts equivalent to the tax-free buildings and properties in the various cities is also one which we can consider favourably. I would suggest, however, that in many instances the municipalities themselves should reconsider their own position regarding the tax-free properties in their own areas. Many of the municipalities, in order to entice business and sometimes to compete with other municipalities in the acquisition of new industries in their areas, have made very substantial exemptions. If the federal government is asked to review its position regarding tax-free properties now owned by the federal authority, the municipalities should be expected also to consider their own position regarding the tax-free properties in their areas. Not only have they tax-free property, but in some areas municipalities have given very favourable rates, renewable from time to time, in electric power, in water supply and in other respects. All these grants which they have made in order to obtain industries have complicated the question of municipal financing. The whole problem of tax exemption of industrial properties, of federal properties and of the concessions that have been made from time to time by the municipalities themselves should be very carefully reviewed. To the extent that the review relieves the local taxpayer in the municipalities of the heavy burden which he now carries, to that extent will the municipal finances be strengthened.

As a matter of fact, in recent years the municipalities have been called upon to carry tremendous burdens of expenditures. Thirty, forty or fifty years ago there was no heavy trucking, for example, and the cities did not need to maintain the kind of streets they now have to maintain, nor did the provinces have to maintain the kind of highway systems they now have to maintain in order to carry the heavy loads and so on. Our cities have grown and so have the problems of water, the problems of sewage and the problems of health. When we think of the problems of sanitation—I am not going to say very much about that this afternoon—we think of the Ontario rivers and the way in which they are polluted. More particularly in my mind at the moment is the pollution of the great river which flows right beside where we are this afternoon in this parliament building, where the sewage from 230,000 people on this side and about 50,000 on the other side of the river empties in a raw state along this river all within four or five miles of this parliament building site. Many cities have tackled this problem; this city has not. Others have sewage disposal works. All of this has increased the burden of taxation. I suppose the capital city of Ottawa is waiting for this parliament to dispose of its sewage for it, but that is by the way. The suggestion is made that if the sewage gets very much stronger it might dispose of parliament. There is more truth than fiction in that because one of the embassies here has to keep its windows closed on hot summer afternoons now because of the stench arising from the river. It is an impossible situation and one which I hope that the city of Ottawa itself will be inclined to tackle.

But what I was going to say is this. When we think of the expenditures that the municipalities have to make for sanitation, for roads, and so on, not forgetting of course the tremendous expenditures that have to be made for education we begin to appreciate their problem. We realize that the provinces have increased their grants very substantially to the municipal councils in the field of education; but the provincial governments are strained to the very limit in that respect and the municipalities are finding it almost impossible to provide all the facilities that should be provided in modern communities and to meet adequately the costs of education.

When we think of the various federal, provincial and municipal authorities' expenditures, exclusive of defence and veterans' expenditures, which can be placed in a separate category, we find that the municipalities collected only 17 per cent of the taxes—and I am using the 1951 figure taken from Dr. LaZerte's report on educational costs in Canada. Included among their expenditures were 65 per cent of the local education costs; 88 per cent of the gross expenditures for public welfare, which came out of the municipal pot; and 72 per cent of the cost of roads, highways, bridges at the local level. When one thinks of that one can see how these necessary services to the people of the municipality and indeed to the people of the country inflict a tremendous burden upon the local taxpayers. Then, we have to remember also that most of these municipal taxes are collected on real property, with the result that taxes on real property, on homes and the lots on which the homes stand, have reached a very high level indeed; so much so that the taxes alone today are equivalent to what was a fair rent for a house say 30 or 40 years ago, when some hon. members like myself set up a home in this country.

Taxes on real property have increased by leaps and bounds. The limit of taxes on real

property has not only been reached, it has been passed. The municipalities have nowhere to look for increased revenues. In some of the cities and in some of the provinces sales taxes have been introduced. The sales tax is a most unfair sort of tax even when it is earmarked for a specific purpose, we will say, for education or for health; but the provinces have been driven to it; they could find no alternative. In some of the provinces of course the sales tax now reaches 5 per cent or more on a long range of articles to supplement provincial and, as I have said, in some cities even municipal taxes. For example, in the city of Montreal there is a city sales tax, with the result that when you add it to the provincial sales tax you have a very high sales tax indeed. That sort of tax, of course, hits the family man very hard indeed because, with his larger family, he must buy more of the things the family will need in the way of clothing, and so on. Therefore, the discussion now before the house is one that is very worth while.

I would hope that within a measurable period more of the burden of health and of education would be assumed by this parliament. When I say education I know I am going to be immediately accused by some people of wanting to exercise federal control over our educational system. I see nothing incompatible with making grants for educational purposes to the provinces and through the provinces to the municipalities and provincial control of the curriculum, teachers' qualifications, complete control of education facilities, and the courses of studies and so on used in the schools in the various provinces.

As the days pass I think local authorities will expect us to assist in the field of health and education to a greater extent than before because after all health and education are not matters purely of local concern. I think the health of the nation is a national concern. A healthy population means that we have young men and women and people in middle life who are able to produce efficiently and continuously. Ill health not only means that we have to carry a heavy burden of hospitals and sanatoria but it also means that we have thousands of men and women who are out of production in what should be the prime of life and the economic loss to the country is very great indeed. The municipalities that are now bearing a considerable proportion of the cost of health services will properly, I think, seek relief through the provinces and the provinces will seek relief through the federal parliament of Canada in order to meet the heavy but vitally necessary burden of health services. The same is true regarding education. Education is no longer a matter of local concern. I suppose that 40, 50 or 60 years ago a young lad going to school probably thought of settling down in his home community and spending the rest of his life there; very large numbers of them did just that. Today, however, it is different. Communications enable people to travel. Opportunities occur for the abilities of people outside of their old community and they tend to move in that direction. Education becomes not a matter of local concern but a matter of national concern.

We are told that we are faced with the competition of new nations that are promoting education and perhaps particularly scientific education. May I say immediately that I am not one of those who believe that scientific education should be the sole aim of our schools and universities. I think scientists should have a good grounding in the humanities if they are going to be good citizens and indeed if they are going to be successful scientists. When we think of the competition we are going to face in future years we realize that we have to provide more and better educational facilities. The municipalities and the provinces have a right to look to the central government of Canada for assistance in carrying this load and I hope that ere long the nations of the world will agree to measures of progressive disarmament.

When we have progressive disarmament and less expenditure in that particular field, I hope we shall be able to continue our level of revenue to the federal authority. I hope also that our increased output, our increased gross national product, the application of automation in our industries and the further increased output in that respect will mean that we may have larger revenues available to all levels of government. These will be largely available to the federal authority because of the manner in which the field of taxation is allotted in this country so that greater revenues will accrue to the parliament of Canada. Consequently ways and means should be found in which to assist both the provinces and municipalities in carrying the tremendous load which is imposed upon them because of the nature of our society at the present time and the nature of the activities in which our society is engaged.

Without taking more time I wish to say that as far as I am concerned I support the idea behind this amendment. I am not sure that it is as comprehensive as I would like to see it and I am not sure whether it is feasible in all respects. Articles that are

necessary for the municipalities, educational institutions and the provinces should be tax free. We should not have excise tax, sales tax or tariffs on goods that are going to be used by our public bodies and public institutions. As I said earlier, I think the municipalities as well as the federal authority and the provinces should consider the effect of the tax exemption policy that the municipalities and provinces have followed and the parliament of Canada has demanded.

We have tremendous tax exempt properties, some of which are railway properties. The Canadian Pacific Railway, for instance, is the beneficiary of tremendous tax exemptions in this country and they are in perpetuity. I do not say whether or not as time elapses the recognition of something given in perpetuity under entirely different financial and economic circumstances should be reviewed by the authority which first granted those exemptions. After all, a life sentence imposed upon a criminal does not always mean a life sentence; often it can mean less than 20 years with good behaviour. Perpetuity should also have some determination as the society in which it was granted under different circumstances develops and grows and the burden becomes a heavy one; therefore, I am supporting the amendment.

Mr. Solon E. Low (Peace River): Mr. Speaker, in raising this question the Leader of the Opposition (Mr. Drew) has done a service. We feel that it is a timely question, one which should be given every consideration by the hon. members of this house.

I believe, as was expressed by the hon. member for Rosetown-Biggar (Mr. Coldwell), that the amendment is perhaps not as comprehensive as it could have been but it is in terms which we can support and I rise at the moment to place our position on the question before hon. members in the hope that we might be able to obtain some sympathetic consideration of the problems of the municipalities and the provinces by this government at a time when it is giving careful consideration to the whole field of taxation and the division of taxation powers as between the federal government and the provinces.

I am not going to repeat the things which were said by the two previous speakers, but I do agree with them when they say that one of the great problems facing every province today is the deteriorating condition of the municipalities. Taxes levied against property by the municipalities have reached the point where they have become expropriatory, and I do not think I can describe them in any other way. As the hon. member for Rosetown-Biggar (Mr. Coldwell) has said, we are away beyond the point where property in a country like Canada should be expected to pay. It simply means that in most municipalities taxes are so high that one must consider handing over to the municipal authorities the whole of his property every 20 years, and oftentimes more than that. That is a rather serious condition. Property cannot continue to bear the weight of taxation which it is now bearing in many provinces. Provincial governments have become increasingly aware of the seriousness of the situation and some of them are trying to do something about it. There are various things which the federal government could do to help this whole situation. I am not overlooking the fact that already something has been done, but in my judgment it does not go far enough to relieve the situation to the extent to which the federal government could do so.

May I outline about six or seven things which in my opinion could be done. When I mention these things I am fully aware of my responsibility in this house. Further I want it known that we are not simply talking about things when we mention these, for we have done something about this in my province. In my province we are trying to practise what we preach. As I go along I shall illustrate the things which I think the federal government can do by showing what we have done in my own province to relieve the terrible burden of taxation and debt which is now upon the municipalities.

First, it seems that many years ago the federal government put through legislation known as the Municipal Improvements Assistance Act under which municipalities were enabled to borrow under what were called successive guarantees granted by the provincial and federal governments at the rate of 2 per cent. Those loans were mainly for self-liquidating projects and were made for a period of several years. The act worked well and there are still some outstanding accounts, but I believe they are up to date. Every one is current and the government has not lost a penny through the operations of this act. I believe it has proved itself to be an effective piece of legislation in every way. I can recall my experience as provincial treasurer in the province of Alberta in dealing with loans under that act. I know the great good that we were able to do with the assistance of the act.

With the onset of world war II the act was suspended and no further loans were made. I submit that there is no reason in the world why that act could not be revived and operations under it continued. If there ever was a time when it was needed it is today. Municipalities are hard pressed to

get money to carry on the vital services of the municipalities as well as money with which to finance the expansion of services occasioned by the large increase in population which many of them have experienced over the past few years. Consequently it would seem to be only logical that where they are forced into the field of borrowing we should do something about reviving the Municipal Improvements Assistance Act and grant the municipalities the right to borrow with provincial-federal assistance at a lower rate of interest.

I do not say that it would be possible to lend money to them at 2 per cent as we did prior to world war II, but certainly we should lend them money at a much lower rate of interest than they are having to pay when they go into the money markets of the world and compete against one another for the sale of their debentures. There is no sense or rhyme or reason in forcing municipalities to pay 5½, 6 or 6½ per cent on money that they must borrow. Normally they cannot sell their debentures at a figure less than 6 or 6½ per cent. I would certainly urge the federal government to consider reviving that act.

There is another thing I would mention. Much has been said here about federal assistance in the building of roads. I did not speak when the trans-Canada highway bill was being considered, but I had in my mind some things that could have been said but were not said. One thing I should like to draw to the attention of the Minister of Finance (Mr. Harris) is that his department and other departments of the government are taking large sums of money in the form of taxes from the automobile industry of this country. If the figures which I have been able to gather for 1954 are correct, and I think they are, in that year the federal government collected $257 million from the automobile industry in the form of excise, sales and other taxes.

It then becomes a question of considering how much was spent in the building of roads. If the minister will go into the record he will find that less than $20 million was spent in the building of roads in Canada in that year. That seems to me to be a pitifully small percentage of the income derived from the automobile industry which wears out the roads. It seems to me that the responsibilities borne by the municipalities of this country are so great that the federal government could well afford to turn back in some way through the building of roads or a network of highways, or in the form of assistance to the provinces in the building of highways other than the trans-Canada, a larger proportion of the income from the automobile industry. That seems to me to be the only logical thing to be done.

I think a tremendous weight of evidence has been presented here in the past week or two since I came back to my work to bolster up the contention that the responsibility of the federal government in this field of highway building is very great. I would suggest that here is one field that could be explored to good advantage. Perhaps the minister and his colleagues could get their heads together and find out how they could return to the municipalities a greater portion than the $20 million as compared with $257 million of the taxes taken out of the automobile industry. So much for that.

May I say just a word about the amendment moved by the Leader of the Opposition which asks for the removal of the sales and excise taxes applied against the things purchased by municipalities and school divisions. I can recall years gone by when members of all parties on this side of the house urged the government to do just that. We presented arguments which it seemed to me were logical in favour of the removal of these taxes. I stand today where I stood when I first mentioned this seven or eight years ago. I believe the time is long past due for the removal of these foolish taxes.

For example, take a school van operated by a school division for the purpose of carrying children to school. When a school division buys such a van they must pay a fairly substantial amount of money in the form of excise and sales taxes. When a municipality buys a bulldozer or a caterpillar tractor for the purpose of building roads—

Mr. Harris: They do not pay any tax.

Mr. Low: They do not now? How long is it since that was removed? It must have escaped me.

Mr. Harris: About three or four years ago.

Mr. Low: That was one of the onerous items for a long time. Then we have building supplies. There is one example with respect to which there is, of course, no question that they do pay. These municipalities and school divisions are having to spend huge sums of money to provide buildings for the increasing population of the country. I see no logical rhyme or reason why these people should have to pay sales and excise taxes on building materials. It seems to me that a 10 per cent sales tax in the case of that sort of thing is like exacting from one of your children a 25 cent fee to enable him to come to the dinner table or the breakfast table. I think it is quite comparable, and

it seems to me the tax should be removed entirely so as to give these people a chance. At least that is one item that the federal government can consider with some sympathy, and if they would see fit to remove these taxes it would certainly be a great help to the municipalities. It would help them to avoid any further onerous taxation against property or the imposition of sales taxes.

There is one other thing I think the government can do. One could talk for the whole of one's allotted time in a debate like this on the decentralization of industry. Over the years we have watched a centralization of industrial activity in the larger cities. These industries pay taxes there and, of course, they create problems, including the problem of the fouling of water and all that sort of thing. But there are many municipalities where you find no industry at all.

If the government were to follow the advice of General Worthington, who is in charge of civil defence, it would take the lead and would assist the provincial governments in trying to work out some systematic pattern of industrial development so that there would not be this dangerous centralization. If that could be done it would help the municipalities of the provinces to a very remarkable degree. This government can take the lead. There are many ways in which it can take the lead. By wise direction from here I am certain that a movement towards the decentralization of industry could be worked out which would benefit the municipalities to a tremendous degree.

Let me say a word about education. I support what the hon. member for Rosetown-Biggar said. In spite of the fact that there are those who feel that when anyone here mentions federal aid for education they are trying to interfere with provincial autonomy, I still think that there are ways by which the government can advance substantial aid to education that would assist the municipalities in no mean degree. I think the time is long past when that should be done.

I was taking a look a few minutes ago at the terrific cost of education in the provinces, and I want to say that when one contemplates not only what the school divisions in the provinces are having to pay today to educate children but also what they are going to have to pay in the next few years when the full force of the post-war population begins to have its impact upon the schools, believe me, they are going to face an almost overwhelming problem. It seems to me, without going into a dissertation on federal aid to education, that there is another field in which the federal government can help to relieve the terrible burden upon the provinces and municipalities, particularly the municipalities. They are the ones I am thinking of at the moment because they are the ones who have to carry the great burden of costs for education.

Taking a look at the seven fiscal years ending March 31, 1951, through to March 31, 1957, I notice that in my own province the provincial government over those seven years has made operational grants to the schools totalling $104,641,791, construction grants to schools totalling $22,871,929, and grants to the teachers' retirement fund amounting to $4,333,739. That is just in seven years. But that does not, of course, account for the full cost of education by any means. As I have already said, with the tremendous number of boys and girls who are now just about ready to enter our schools following the post-war upsurge in population, the municipalities and school divisions are going to have a pretty tough time.

Mr. Coldwell: What about our universities in future years?

Mr. Low: Yes, in another ten or twelve years the universities are going to be in exactly the same position. In fact, they are feeling the impact right now. Certainly we should be forward looking and make provision ahead of time for these heavy burdens that will have to be carried.

May I say a word about another way in which the federal government can certainly be helpful to the municipalities. The other day my hon. friend, the usually forthright Minister of Finance (Mr. Harris), was asked a question concerning the rediscount rate, and I was surprised that he did not give us more information than he did. I thought he evaded the question and I was sorry because, as I say, he is usually a pretty forthright fellow. There must be some reason behind the increase in the rediscount rate to 3 per cent. If there is not, bless my soul, why let it take place then? Surely this is the sovereign body and the Bank of Canada is not our sovereign master. At least, I do not look upon it as such and we ought to be laying down the policy for the Bank of Canada and not the Bank of Canada for this house and the country.

It is all very well to get the advice and counsel of the Bank of Canada. That is fine. But let me show you what they have done. By increasing the rediscount rate to 3 per cent they have put an almost impossible burden upon the municipalities and school districts that have to borrow. They are forcing these people to have to go out in the debenture market and sell their debentures at a great discount and at an effective interest rate that will run to 6, 6½ or 7 per

cent. If, Mr. Speaker, the government really wants to do something to help the municipalities it will take hold of that rediscount rate and see that it is not used as a means to bolster up the interest rates charged by the banks in this country for the simple reason that the municipalities cannot pay it.

The municipalities have to finance in some way. In order to help to relieve that situation in my own province, the provincial government decided we would have to get into the field of lending and so we set up just last year a new corporation which is called a municipal financial corporation. It is a co-operative composed of membership from the cities, towns, the rural municipalities and the government. They each buy shares. The corporation then manages pretty well the distribution of financial assistance to the municipalities in the province. Whenever any municipality requires to borrow, an application is made to the corporation. The corporation does the investigating, decides on the terms and that sort of thing, and eventually out of a reserve fund set up by the province loans are made to these municipalities and school divisions with government backing at no higher than 3½ per cent.

We have successfully obviated the necessity of our municipalities going into the money markets of the world and selling debentures there during the past few years because of the fact that they could not possibly pay the rate of taxes they have been bearing and at the same time carry the interest rate that would be charged for such debentures in the money market. We have saved them many thousands of dollars by that means. So, Mr. Speaker, as I said to begin with, I am not just talking one way and watching my own people in the province of Alberta act in another way. We are practising what we preach. I suggest that the Minister of Finance take under very serious advisement the whole question of the bank discount rate and do something to make it possible for our municipalities to borrow their needs at a rate of interest that will certainly not be 6 or 6½ per cent.

The final point is this. Quite a number of years ago we recognized that if we were to be of any help to our municipalities in the province, one of the things we would be obliged to do would be to agree to pay taxes in full on provincial property in the towns and cities of that province; and that is what we have been doing. We have been making a grant that was not only equal to but in excess of the full amount of taxes which those municipalities would have charged against the provincial property at the usual assessment rate. I think the minister could take that as a good example. When he contemplates all of the things that have been said here today with respect to help to the municipalities, I think he would be well advised to resolve to bring in a change to his act under which he would pay full taxes to every municipality in this country where there is federal property established. By doing so, he would be doing something worth while.

Mr. Macdonnell: He will probably say he is not as fabulously rich as you are.

Mr. Low: Maybe not. But it seems to me that he has plenty. I do not think he is in rags and tatters, by any means.

In conclusion, Mr. Speaker, I would say that this amendment is timely. It would direct attention to the terrible condition in which many of our municipalities labour today. I certainly suggest that all the minister needs to do is to ride up and down some of the streets of Ottawa—

Mr. Knowles: "Up and down" is right.

Mr. Low: That is what I mean, up and down; more up than down.

Mr. Coldwell: More in than out.

Mr. Low: If he would do that, he would see something of the need. I pay taxes in this municipality. I am obliged to contemplate handing over the full value of my property to the city every 20 years and then to start all over again trying to accumulate something with which to comfort my old age. I think I have said enough, Mr. Speaker, to draw attention to at least six or seven things that the federal government could do.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, may I begin by expressing my gratitude to the hon. member for Peace River for his kindly suggestion that, under normal circumstances, I have been fairly forthright in dealing with the House of Commons. May I also advise him that I was not conscious of any effort to avoid any answers the other day with respect to the discount rate of the Bank of Canada. I made it clear the week previous, when I was questioned on this point, that I did not think —and this is still my opinion—that in answer to a simple question on the orders of the day one could do justice to an answer on monetary policy of the Bank of Canada or of the government of Canada, for that matter. I am quite prepared to debate the matter at whatever length hon. members may feel would be suitable on an occasion when it would be desirable to do so. I rather fancy that the hon. member for Lethbridge (Mr. Blackmore) is waiting for that opportunity, when the time comes.

Mr. Blackmore: Hear, hear.

Mr. Harris: I will just repeat what I have said. I gave a short answer to a question which I thought was directed solely to that short answer on the occasion, being under the impression that I was not expected to state at any length whatever the present monetary policy, particularly having in mind that—as I have said already three times, I think, Mr. Speaker—as before parliament opened we knew there would be questions about this matter, we made suitable arrangements and gave suitable notice that we would discuss this matter in the banking and commerce committee. I regret that that discussion has not yet taken place but that situation has been brought about owing to the fact that I personally desired that some of the legislation which had been sent to that committee should come back here to be passed on to the Senate for further consideration before we went into a subject which did not require their consent at a later date. As a matter of fact, some of the legislation is already out of date and is not renewed unless the legislation we have before the committee and before the house is passed.

On the main point at issue in this amendment, there are of course a number of features that ought to be discussed. First I will touch on the suggestions that have been made by all three of the hon. members who have spoken previously, namely that we ought to bring the Municipal Improvements Assistance Act into use at the present time. The Municipal Improvements Assistance Act was passed in 1938 as an unemployment measure designed to stimulate employment in Canada. It was intended as a bonus, if you will, to municipalities in order that they might undertake self-liquidating projects at that time, but always having in mind unemployment. I do not think anyone in this debate will suggest that 1956 is a year in which we need bonus the putting of people to work in Canada.

An hon. Member: We hope not.

Mr. Harris: Up to the present time there are no signs that that is so. In any event, it would be quite impossible at the moment to find many municipal corporations which would use the act even in its present form. I make that statement for this reason. On both occasions when the provincial premiers were here last year and once again when they were here this year this question arose. On each occasion I told them that if they had any instances of municipal corporations not being able to borrow money for needed municipal purposes, I should be glad to investigate the reference they would make. To this date I have not been given the name of a single municipality in this country that has not been able to borrow money for its purposes. It may well be that there are some municipalities which are obliged to pay more interest than they think they should pay on money borrowed for local improvements. I have no doubt that all of us would like to borrow money at a lower rate than that which we think we are going to be obliged to pay when we set out to borrow. The higher the rate, the more likely it is that the municipal corporation will give serious consideration to priorities in the municipality with respect to expenditures of the taxpayer's money. I would not want to express any opinion about that matter, however, because I do not think it is our duty—nor is it a privilege of ours—to express opinions about municipal expenditures. I merely urge again that unless municipal corporations find it impossible to borrow money or find it possible only on extremely difficult terms, there is no point in reviving the Municipal Improvements Assistance Act at least until another occasion when we may desire to stimulate employment by having public works at all levels.

The hon. member for Peace River described in some detail the arrangements that are being made in the province of Alberta with regard to the municipalities. I share the view that I thought the hon. member for Greenwood (Mr. Macdonnell) expressed by interjection, although I am not sure that I heard him correctly, namely that perhaps the province of Alberta was better off than I am. If that is what it was, may I say that I am inclined to think maybe that is so.

Mr. Macdonnell: I said I thought you would perhaps say that.

Mr. Harris: Then I have done so.

Mr. Pickersgill: The hon. member is not disappointed.

Mr. Harris: The province of Alberta is now in a position to make with its municipalities almost any arrangements that it might desire to make. They have the money in the bank and may do so. But the problem that faces the Minister of Finance (Mr. Harris) here at the moment is this, and it is always the same one that is presented by all opposition members. It would be utterly impossible to raise, by the present tax rate, sufficient revenue to carry out the proposals that they bring forward in the house.

Mr. Low: We will have something to say here about that matter later.

Mr. Harris: I will come to that. It may well be that the whole suggestion here might

not amount to $20 million. I do not know. I have not the figures available.

Mr. Coldwell: It would amount to more than that.

Mr. Harris: That may be so, if you include the sales tax. I have not the figures at hand. But let us suppose the figure is $30 million or $40 million. It may be said that there is a surplus this year of $115 million and therefore one could do this. But the fact of the matter is that at every session of parliament hon. members opposite present proposals which run into the hundreds of millions of dollars rather than the tens of millions and the Minister of Finance is always in the position of having to say that it is not possible to implement them without an increase in the tax rate. At the same time hon. members opposite deplore the high tax rate and leave the minister in a position where his general approach to this problem is, I think, that he would rather not spend the money and reduce the tax rate instead of spending the money and maintaining the rate at its present high level. There are some exceptions and the hon. member for Rosetown-Biggar (Mr. Coldwell) has drawn my attention to the fact he has always indicated, and he is quite correct, that he believes this parliament could make greater expenditures and find the money available through the good offices of the Minister of Finance.

The hon. member for Peace River spoke of the wise direction by this government in decentralizing, I take it, the functions of government. Coupled with that, I might point out that the Leader of the Opposition said that the municipal corporations were the cradle of democracy and existed long before national government. I think perhaps on second thought he would agree that it was just the reverse in Canada. We had national governments of one kind or another and municipal corporations grew up afterwards as a result of various statutory enactments. It is true that municipal corporations, in any matter whatever affecting municipal corporations, are entitled to make representations to us. They are entitled to make representations to us to remove the tax burden on them, as they have done in the brief of the mayors and reeves, and we should give consideration to that. However, in the direction of their affairs or in anything whatever connected with them, I think every provincial government of this country would expect this parliament to adopt a hands off attitude.

Mr. Knowles: And hands out of their pockets, too.

Mr. Harris: The leader of the Social Credit party also spoke of a figure of $250 million received from the motor car trade of Canada by way of taxes. My recollection of the figure with respect to the special excise tax only would be something of the order of $80 million or $90 million. I am not sure what the balance is, unless it happens to be the corporation income tax.

Mr. Low: The 10 per cent sales tax.

Mr. Harris: Ten per cent sales tax is about the same as the special excise tax, but for the moment I will accept this figure.

Mr. Low: There would be the corporation tax in addition, of course.

Mr. Harris: I might point out that we seem to be considering taxes by the source rather than the purpose. This government, if it did not need the money for its general purposes, would no doubt be doing away with a great many taxes about which it could be said, as my friend has said, you should use them for purposes connected with the base of the tax. We are not taxing motor cars in order to build highways; that was not the purpose of the tax in the first place. The purpose of the tax was to pay for the war effort and subsequently to pay for the additional cost of defence and such matters as have been imposed upon us.

Mr. Low: The municipalities have to pay for roads, and they wear out.

Mr. Harris: The municipal corporations have to pay for roads, and so do the provincial governments. I am not even going to suggest that they ought to spend the precise amount of money they collect from motor cars, by licence fees, the gasoline tax or anything like that—

Mr. Low: The Liberal opposition in the province says they should.

Mr. Harris: That may be, and that is their business in the provincial field. I am not going to argue here whether or not the proceeds of the tax ought to be spent precisely on the subject matter from which one gets the tax. Indeed, if that were so we would have a lot fewer taxes than we have.

Now, the leader of the C.C.F. party made a statement with which I think we can all agree, namely that health and education are not solely of local concern. Stated in that manner it only means that all of us are desirous of having a higher standard of health and education throughout Canada. Nothing that I would say at any time would indicate dissent from that view. But once again, sir, and especially with respect to education, there is no point in repeating what has been said so many times by this government. It is not our view that we should

raise money in parliament here for the purpose of paying it out for education in the provinces or in the municipalities. We do spend money for the education of Indians, and we do make grants to higher learning. We have not taken the view that we should impose taxes to make grants in this field, with the exception of the two items I have mentioned and vocational training.

The real purpose, I take it, of the motion is covered by the complaint that municipal corporations are losing money by reason of the operations of this government in the various municipalities, in that the municipalities have to provide services, lose the assessment and do not get grants in lieu thereof. Now, there are two problems to be borne in mind here. Once again the general problem, sir, is that if we were to pay out a greater sum of money we should have to take in a greater sum of money through the tax rate. It is a matter of opinion whether all the municipal corporations or the individuals comprising those corporations would prefer to have a lower federal tax rate or whether they would prefer to have the grants. I believe that is a matter on which there would be perhaps 200 different opinions in the house.

Let me point out what is done in another field. So far as I have been able to determine there are only two provinces which make anything like the type of payment it has been suggested this afternoon we ought to make. If the provincial governments, in their relations with the municipalities, their own creatures, do not feel justified in paying the municipal corporations it seems to me that there are some arguments why such payments are either unnecessary or undesirable. I would not suggest, however, that our own views here would be coloured particularly by what the provincial governments might do because they would have perhaps different reasons for doing that from what we could advance to parliament.

But may I point out that Ontario, while it does pay the general rate on its property, does not pay the school rate. The Ontario hydro does pay the general and school rates, but not on buildings for operational purposes. The provincial government does not make a payment on behalf of the educational institutions. In Manitoba the provincial utilities pay the equivalent of both taxes on land and buildings, and the province pays full taxes on land but not on buildings. In Saskatchewan the provincial government pays full taxes, including business tax, on all the properties of crown corporations except the Saskatchewan power corporation and the Saskatchewan government telephones. In Alberta the province pays the full tax equivalent for properties of the liquor control board and of Marketing Services Limited or on properties occupied by any person or crown agency who pays the rent to the province. In British Columbia, the power commission pays 3 per cent of its gross revenue and the provincial liquor board pays what it believes its actual taxes might be. There is a provincial grant to the city of Victoria. In Quebec the provincial government pays the water rates and certain maintenance charges on certain crown properties.

In New Brunswick there is quite a complicated system of payments, but that is not to suggest that it is not fair in any way. They pay half the cost of snow plowing or a dollar a head, and they reimburse the municipalities by paying about two-thirds of the cost of renewing the main trunk highways through municipal corporations. They contribute to certain bridges, to the repair of main highways and they pay certain costs for local improvements in local improvement districts which I suppose have no municipal governments. Nova Scotia pays to the municipalities containing land under timber lease 5 per cent of their dues, and the liquor commission pays tax equivalents. In Prince Edward Island no payments are made in lieu of taxes. This would indicate that the payments by a senior body to a municipal corporation are not by any means regular or uniform except in so far as it would appear that the provincial governments do not make payments themselves on the general rate except, as I have said, in the case of Ontario.

It was suggested by the Leader of the Opposition, perhaps unintentionally, that municipal corporations are losing a great deal of income by reason of the crown agencies of this government. It might be that in some cases that is true, but most of them make their own arrangements with the municipal corporation in which the property is situated. For example, defence production, central mortgage and atomic energy pay full or very close to full taxes to the municipal corporations in which the property is situated. The Polymer corporation gives a grant of approximately full taxes. In every case these arrangements are negotiated with the different municipal corporations concerned. In the case of Canadian Arsenals, the board of grain commissioners and the national harbours board, they pay less than full taxes, probably in the neighbourhood of one-half. Therefore, the chief complaint, I am sure, is that this government pays taxes only in those municipal corporations where the Municipal Grants Act applies.

May I point out, sir, that this history of payment by the federal government is now only six years old and that it was this government and this party which began paying to municipal corporations in 1950, and for a particular reason. That reason may not be valid at the moment. It is a matter of opinion which I know will be argued later on in this debate; but it was advanced as an argument at that time that because of the great concentration of federal property in certain municipalities it was unfair that they should bear a burden that ought to be borne by the general taxpayer of Canada. The formula of making a grant in lieu of taxes, where the assessment of the federal government in any municipality exceeded 4 per cent of the total, was devised. That was clearly understood for the reasons I have given, namely, that because of national purposes we had to place certain federal property in that municipality and that, for national purposes, the general taxpayer might be expected to contribute some of the cost rather than have the local municipal taxpayer pay the whole cost of the services and the assessment of that property.

You may recall, sir, last year we introduced an amendment to the act which reduced the 4 per cent to 2 per cent, during the course of which we would extend the payment of taxes from something like 50 municipalities to almost 150 municipalities in Canada in which we have federal property. We have had less than a year's experience with the act and I would suggest, sir, that on that basis we ought not to extend its provisions further at this time.

I doubt whether I have covered all the points that have been raised by hon. members opposite, but there is one point made by the Leader of the Opposition which requires an answer, namely, that it is not by any means surprising or unusual that a local purchase by a provincial government should not bear a tax when the same local purchase by a municipal corporation should. It has been a principle of our constitution for as long as I can remember that one does not tax the crown in the right of the province, but that principle never extended to a municipal corporation or indeed to any other form of corporation. The distinction is there and has been recognized since confederation.

Perhaps I should add one word further about the sales tax on purchases by municipal corporations to remind hon. members that we also require a good deal of experience in this field. We have been collecting taxes for some time, sir, and on the basis of the experience which we had up to that time my predecessor introduced an amendment to the act three years ago in which he provided that there would be exemption for certain road machinery and the like over $1,000 in value. It must be evident that one of the reasons why we were able to make that amendment was that items of this kind were clearly defined and could be clearly recognized as such. But I do not think, sir, that we should extend exemptions to all purchases made by municipal corporations for the quite obvious reason, which may not commend itself to hon. members but does commend itself to a minister of finance, that exemptions generally are undesirable.

The best form of taxation is a tax which requires no exemptions, not because one receives more revenue that way, but because in fact with exemptions you always have the argument that the exemption is discriminatory against someone else in a like position who ought to have the exemption as well. The whole basis of taxation is to find one in which you are not subject to any of these arguments. Because you gave an exemption to A, logically you must give it to B, and if you go on in that way long enough you find there is no basis whatever for the tax in the first place and you have to start all over again.

I am not trying to magnify the difficulties of the Minister of Finance because I suggest, Mr. Speaker, our tax system is reasonably good and does not create too many difficulties.

However, sir, I would like to conclude by saying that, as I promised the hon. member for Greenwood (Mr. Macdonnell) and other hon. members a year ago when we were discussing the Municipal Grants Act and the amendments I brought forward at that time, this subject is under constant review and will be considered not only at the moment but throughout the coming year. However, it is not the intention of this government to introduce any amendments to the Municipal Grants Act at this session.

May I just make this final point? These motions to go into supply do give an opportunity to all hon. members to debate a good many subjects and do give and are intended to give the opposition an opportunity to present an argument in most cases against the shortcomings—that is the omissions rather than the commissions—of the government; but at the same time it should not be overlooked that these motions are in themselves a statement by the opposition that this government has failed and ought to be dismissed from office, because that would be the result of the motion carrying. For that reason I feel just as firmly as the hon. member for Winnipeg North Centre (Mr. Knowles) does that this government ought to remain in office and for that reason I am going to vote against the amendment.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, the issue that is before the house is, as the hon. member for Peace River (Mr. Low) has said, a very timely one. It has been the concern of many people from coast to coast in this dominion. It has been moved again today by the Leader of the Opposition, who has had a wide experience on different levels of government. He has had experience as an alderman and mayor and also in local council work and realizes the tremendous burden that is being carried by the municipalities of this dominion. The mayors, school boards, reeves, aldermen, controllers and councils have had a most difficult time, and their future looks very alarming to them from day to day.

I listened with interest to the hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Peace River, and I was not surprised but glad to hear that they intended to support the amendment. As the hon. member for Rosetown-Biggar said, many of us in this house have had experience in other levels of government, provincial and dominion. As I recalled the years that I spent in municipal affairs I could not help but think of the vast changes that have taken place during those years.

I have also listened with keen interest to the Minister of Finance (Mr. Harris). I noticed that he searched the provinces, the hydro commissions, the liquor commissions and every other level of authority he could think of to find an anaemic excuse for not accepting the motion; however, he finally concluded by saying the chief reason for not doing so was to keep this government in power. Before he said that I knew that neither he nor his colleagues want to lose power, though if they were not jolted occasionally they would ride along in their smug complacency and do nothing for anybody other than themselves. They are the world's greatest optimists; one can imagine that they do not care what happens so long as it does not happen to them.

The federation of mayors, reeves and councillors throughout the country have been pleading with every hon. member of this house for many years, and I am sure they have not missed government members. I will venture to say that the Minister of Finance's wastepaper basket is full of petitions from coast to coast pleading with him for some assistance.

Mr. Harris: No, I keep them; I do not throw them away in the waste basket.

Mr. Rowe: Well then, that old pigeonhole must be chock full of dust and petitions, because you certainly have not done anything about them.

This is a problem which is common to all, Mr. Speaker. The changing times have placed tremendous burdens on the municipalities, burdens that were not thought of 25 or 40 years ago, as hon. members have already pointed out. I can remember years ago when I was in the county council. It is because of these increased burdens that the municipalities are in their present plight.

Even farmers buy new automobiles occasionally. A farmer buys a similar licence to that purchased by a city dweller, but the man who lives on a provincial highway has to pull his car with his tractor through a foot and a half of mud down the side road to get it on to the highway. He has to keep his hogs until they are too fat and no longer select because he cannot get a truck in to get them out. At various times he cannot get his cattle to market. These are problems which exist in many places; the municipalities cannot keep pace with the times. This is a real problem in rural municipalities, and it involves not only the standard of living but many marketing dollars.

Despite all these things we are given excuses concerning what can and cannot be done. We hear the constitution referred to, and we are told that it is the responsibility of the provinces or the municipalities. It is not entirely a case of jurisdiction, and I think an over-all revision of our revenue system and a new look at responsibility in view of the rapid growth and expansion of this country are long overdue. The provinces and the dominion should sit down together with the municipalities and attempt to work out an over-all agreement.

We realize that the municipalities are the creatures of the provinces and the provinces are the creatures of the dominion. The Leader of the Opposition said the municipalities are the real cradle of democratic freedom, because a great many people have gone from the municipal level of government to other fields of government.

Mr. Harris: I graduated after you did.

Mr. Rowe: Yes, I was looking at you. I noticed you too, and I recall that you graduated from a neighbouring county. I am amazed that you have so little regard for the municipalities after having been a county councillor, because any one who has spent some years on a county council usually develops an affection for it, not only for the duties performed by councils but for the pleasant social occasions which form a part of their activities.

Never before have the municipalities faced greater responsibilities, and never before have they received a smaller portion of the

national revenue with which to meet them than is the case today. The Minister of Finance says they were given a little bonus in 1938 because of unemployment, but he is optimistic now and says there is not going to be any unemployment, and apparently he thinks that is ample excuse for not giving the municipalities any help today. He said it would not amount to very much if the sales tax were taken off and they paid the tax they should pay on their federal property.

Mr. Harris: I excluded the sales tax from that. I was thinking of municipal councils.

Mr. Rowe: In fairness to the minister I could agree with him, but this government has always said, "What is a million?" and now it says, "What is 20 million?" The government sits quietly by and does not even attempt to offer the relief that could be given under our present jurisdiction. The minister has pointed out that the liquor commissions and the hydro commissions pay the municipalities only a certain amount, but in most cases his government pays them nothing. It levies a sales tax on much of the equipment they buy and they are even taxed on municipal printing. The government takes all the tax it can from the municipalities and gives as little back as possible.

The government does not seem to take into account the growth and expansion of this country. With respect to all this national expansion and industrial development we must keep in mind that it is this forgotten level of government, the municipal level, which has such tremendous responsibilities at the present time. The development of industrial expansion, the building of industries in different places, the standards of services in the municipalities, all have a great bearing on the attraction of foreign capital and the location of industries in the respective districts. More and more the municipalities are becoming the cradle of our whole national industrial development.

As has already been pointed out, the municipalities must provide services for housing developments, educational institutions, must provide roads and so forth. Many other matters enter into this field including traffic congestion, the safety of children and so on. When you drive along the highway in this country you can always tell when you are at the edge of a municipality because you are likely to break a spring on your old Ford car or blow out a tire in the municipal pot holes. The municipalities are more or less curtailed in their ability to collect revenues.

I can well recall that when I belonged to the government that was in power many of the hon. members who are absentees today used to chide us for not being fair to the municipalities. They said the municipalities were having a hard time. I can recall that the circumstances were difficult in those days because there was a world-wide depression, but at that time the government of Canada took only 40·5 per cent of the total revenue of the dominion. In 1951, 20 years later, the dominion's take had increased from 40·5 per cent to almost 71 per cent. At that time the provinces took 20·2 per cent, today they take only 17·2 per cent. In 1930 the municipalities had 39·3 of the total tax revenue, today they have only 11·9 per cent. Never has their responsibility been so great and never has their portion of the total revenue been so small. Yet this government sits smugly by and quietly and complacently takes a greater share of the revenue while at the same time enlarging its share of power.

We had a conference, a dominion-provincial conference. All these have been very nice parties. Everybody talks about a new approach and then they call a conference. It takes them a long time to decide to call it and it takes them a long time to assemble. Not long ago the federation of mayors were greatly encouraged when they were told that while they would not have much authority at the conference, they could come to it. They attended with a watching brief and were greatly encouraged as they thought something was going to happen, that the provinces and the dominion would make over-all federal-provincial agreements by which some relief would be given to the struggling municipalities, and a broad national policy might be inaugurated to provide some uniform assistance to them.

The federation of mayors may have had only a watching brief, but they certainly looked and listened and watched. They watched the slow assembly and they heard the quick adjournment. Nobody made anything or got anything. Nobody gave anything away. They were told quietly to go back home. Seldom in history had so many come so far for so little. There was no real effort, no new agreement; it was a mere mockery. No wonder municipal officers in places like Toronto were disappointed. They had wanted to have a conference a few months ago, and asked the Prime Minister to hold such a conference, but the answer they got was that even the Minister of Finance was too busy. Later on the Minister of Finance did send for them and brought them down.

Mr. Harris: On the contrary, I went to see them.

Mr. Rowe: For all the good it did, it did not make any difference whether you went to them or they came here. That illustrates the whole attitude of the government. It

is not the letter of the constitution, it is the spirit of the government. This tired old government is just the same on everything; it is just smug and complacent about everything. They are the greatest optimists in the world. They think it does not matter what happens as long as it does not happen to them. It is not a matter of this resolution, it is simply a matter of this government being so complacent. They fail to grasp the problems that confront us.

I do not mean to say that anyone who has any knowledge of all levels of government would say that the constitution could not be considered at all. We know there are the provinces and we know there are the municipalities. This present government seem to be interested in the provinces and apparently that is the reason only about half the government are here today. It must be because they are interested in provincial as well as dominion affairs.

I think there are ways under their present constitution that something could be done. As I say, the letter killeth but the spirit giveth. There are ways under their present jurisdiction that would permit them to do a great deal. This government taxes even municipal printing. They have been asked to relieve the municipalities of that tax. This government imposes the sales tax. They have been asked to relieve the municipalities of that tax. This government does not pay taxes on most of its properties. They have been asked to do so. The sales tax paid by some municipalities amounts to as much as $800,000. That may not seem much to the government here but it is something to the municipality, especially when the government pays nothing on its principal government buildings.

There are certain inequities in the grants that have been given in lieu of taxes under the Municipal Grants Act, which has been amended. I believe that about 100 municipalities receive a total of about $6 million. I notice the minister is strong about no exemptions, fair play and equal rights for all, special privileges to none and so forth, but if he wants to put those principles into practice may I suggest that there are about 750 other municipalities which would get about $12 million if he treated them as he treats the other 100.

Then there is the unemployment problem, which has been mentioned before. This is not a tremendous problem at the present time, but for the man who has exhausted his coupons or who cannot qualify for relief unemployment presents a real problem. I suggest that unemployment should be considered as a national responsibility, and the dominion government should pay 100 per cent of the cost. We must not forget the benefits this government derives from our industrial development, for which services must be provided by the municipalities.

This government is taking almost double the percentage of total taxes paid in Canada that was taken when this party was in power in 1930, while the municipalities take only 11·9 per cent today as compared with 39·3 per cent at that time. In other words in 1930 the provinces got almost 40 per cent of the total tax revenue in order to provide these services, while today this government takes over 70 per cent—

An hon. Member: Nearly 80 per cent.

Mr. Rowe: No, it is nearly 71 per cent, 70·9 per cent to be exact. They have gone from almost 40 per cent up to 70 per cent, almost double, whereas the municipalities are taking less than one-third of what they took of the take at that time. Who must bear the brunt of this? It is the home owner, the man who has a mortgaged house in the municipality. It is the head of the household who is trying to get his house paid for in order to have a home for his family. It is the working man. Those are the people who are doing it.

There is a limit to the amount of taxes that can be paid. A tremendous portion of our national production is being paid in taxation. I know it is argued by many economists, and sometimes just as vigorously by politicians who think they are economists, that still more can be taken because everything is sound. However, the problem of the municipalities is a growing one, it is a real one, it is a difficult one, it is one which must be solved for the health and prosperity of this dominion. The municipality may not be the cradle of democracy in the sense of being the cradle of parliamentary practice, but it is the cradle of industrial development. It is the cradle of the homes of this country, and the happiness and the family life of this country depend on the standard of living, to which reference has been made this afternoon.

Many more services are required. Streets in many municipalities are unsafe. You see children on their bicycles bumping over the holes in municipal streets and automobiles going by within inches of them. You see automobile tires blown out because of the condition of municipal streets. As has been mentioned this afternoon, right in this capital city we can see the evidence within an eighth of a mile of this building. I notice that the way is fairly smooth from here to the Chateau Laurier, so that none of the government will be hurt. I am glad of that, because I walk that way quite a bit myself. But you

do not need to go much farther down Rideau street before you find that you might as well walk as drive an automobile.

These are problems that concern the lives, the happiness and the homes of the people of Canada, and the municipal officers are confronted with these burdens. They are only receiving about one-third of the share of the national revenue they received 20 years ago, yet they are asked to provide many more services. This afternoon the hon. member for Peace River and the hon. member for Rosetown-Biggar emphasized the growing numbers of school children and what is required for educational services in the public and technical schools, indeed every branch of education from the kindergarten right through the university. We find that in rural municipalities the farmers are taxed almost double for the building of high schools and colleges that are being enlarged almost every year. Small municipalities within a few hundred miles of this city with a population of around 3,000 have spent as high as $1 million on educational services.

We are approaching 1958, 1959 and 1960 when, with the present rate of immigration and taking into account the birth rate and the increasing population, the requirement for educational services will be still greater. There is not one hon. member in the house who has not talked to municipal officers and been told about the ever-growing problem and the services that are going to be required. In view of the fact that the government's own revenues, their own taxes, depend to no small extent on the services provided by the municipalities and the condition of the municipalities, the government should reconsider its policy.

There is the question of the municipalities being able to attract new industries, and in that regard we should examine what the municipalities in the United States have done. We need policies in Canada to encourage the development of our resources and to enable our municipalities to attract industries. When these people from the United States come here to look at a municipality they are not encouraged to build in it if they see that it is short of schoolrooms for children, if they have to bump up and down the main street and pretty nearly break their Cadillac cars in which they drive over here to carry on their inspection. The revenue received by the Minister of Finance is affected accordingly.

Therefore I urge the government, and especially the Prime Minister, whether or not his luck has been bad, to try to get back to the days when his party talked about the great happy family of provinces. I remember the billboards in years gone by: "Vote Liberal, one happy family, nine happy provinces."

Mr. Gauthier (Portneuf): That is still so.

Mr. Rowe: They are pretty unhappy children now in many respects. The hon. member says they are still as happy.

Mr. Gauthier (Portneuf): You cannot see it.

Mr. Rowe: I have heard some speeches in his province that did not indicate they were very happy. However, I urge the government in all sincerity, even if they have had a conference that has not accomplished anything, to sit down again with the provinces and discuss the matter. There may still be hope. If you cannot change the letter of the constitution you can change the spirit of your attitude and see the problem that is almost screaming at you so far as the municipalities are concerned. The municipalities are in distress. They are in a state where their progress is going to be hampered. The municipalities are asked to do more with less.

I have pleasure, Mr. Speaker, in seconding the amendment and supporting it. I am glad we have had the support of those to my left. I am sorry that so many to your right, Mr. Speaker, who would like to vote for this measure to help the municipalities are going to be forced to vote to save a tired old government from retirement.

Mr. Daniel McIvor (Fort William): Mr. Speaker, I should like to refer to the last words of the hon. member for Dufferin-Simcoe (Mr. Rowe), namely that we are forced to vote for the government.

Mr. Hodgson: You know you are.

Mr. McIvor: If that is the type of speech he is going to make, then I can tell him that he is far from being right.

Mr. Hodgson: Sure you are. Toe the party line.

Mr. McIvor: I want to get down to earth, and I have two questions that I would ask the Minister of Finance to answer. Before I put them, may I say that I listened very attentively to the hon. member for Dufferin-Simcoe and his description of the time when the party in power took 40 per cent of the nation's revenues, compared with the 70 per cent that we now take. Boy, Mr. Speaker, those were the golden days! Those were the prosperous days, were they not? I can tell you that I happen to know that, so far as our cities and municipalities are concerned, they do not compare with today.

At that time I could go to our schools, see how the children there were dressed and tell the brand of flour that was used in their

homes. We have better times today in our cities and all over Canada than we had in 1930 or later. I have two questions to ask the minister. If this amendment passes, you will have less money to spend, will you not? Therefore I ask the ministers, where are you going to get the money to replace the money you lose? What other taxes are you going to levy? If you do not levy new taxes, where are you going to cut down? I can tell you that you dare not cut down on veterans' pensions. Will you cut down on family allowances? Will you cut down on old age pensions? Will you cut down on unemployment insurance? Where are you going to cut? That is the question that bothers me.

I know that the mill rate has something to do with the taxes we pay in Fort William, but a whole lot of the success of the cities in which we live depends upon the city council. We have a city council in Fort William that watches finances closely. They watch spending. I do not know whether that is because there are three ladies on the council, but we have a council that watches spending closely. The amount of taxes I pay in Fort William depends on the mill rate, and if the mill rate goes up I pay more.

As far as the amendment is concerned, I just want to have these questions answered. Where are you going to levy any new taxes? Where are you going to make cuts? I do not want to see family allowances or old age pensions reduced, and certainly you cannot cut the veterans. As far as our veterans are concerned, there are some increases they should get and we are going to fight for them to the limit.

That is all I have to say. As far as my vote is concerned, nobody has told me how I am going to vote and nobody ever did. Perhaps they did that in former days, but they do not do it today.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, I am going to be brief and explicit in what I have to say. I think the amendment is very important, and deals with a very important question. I do not think it has anything to do with cutting any of our social service expenditures and I do not think it has much to do with dominion-provincial relations. I think it is a straight matter of proving to ourselves or some of the people to whom it still has to be proven that under the present scheme of things municipalities across the country are not able to carry the responsibilities fixed on them by the constitution.

In my judgment, if the amendment that has been proposed passes it will give very little relief to the majority of municipalities throughout Canada. For a start, the resolution asks for the elimination of the excise tax and the sales tax on equipment and so forth purchased by municipalities. Most of the heavy equipment purchased by municipalities is now tax exempt. With regard to the other materials which they purchase, if the figures were worked out I do not think it would be found that the suggestion would give the majority of municipalities much tax relief. At the conclusion of the resolution we find these words:

> . . . and which will further provide for payment to municipalities of the equivalent of full municipal taxes.

I assume what is meant by that wording is that in any municipality where the federal government has property, the full tax rate shall be paid. The wording is also subject to many other interpretations, but I think that is what is meant. If so, I want to say that 89 per cent of the municipalities across Canada would not receive any relief whatsoever, although some relief would be received by the larger centres where there is a concentration of federal property. I do not think the resolution offers much, Mr. Speaker. Before I sit down I intend to tell you what I think should be done instead of adopting the suggestions contained in the resolution.

I think we all must agree that the burden which cripples the average municipality across this country is the cost of education. That is the main problem. I know it exists in my own community to a great extent. For the first time in the history of the country, about three years ago we had a teachers' strike that spread fairly well over that whole community. Things are getting rather bad when people like teachers, with the qualities they have, find it necessary to strike in order to bring to the people who should know the situation a realization of the inadequacy of salaries. Right at the present time in that same area the teachers are demanding a commission to sit down with a school board in one municipality and try to work out more adequate salaries.

Being on the outside and not on the inside doing the fighting, one can see both sides of the argument. I recognize the problem faced by the municipality of which I am speaking in connection with meeting the demand for more adequate salaries. In that particular community a total of about 60 cents of every dollar collected in taxes goes into the schools, with the resultant crippling of other services. However, the municipality tries to carry that educational burden. Having 60 per cent of their total revenue going into schools is a terrific problem. Right at the present time they are in an extremely bad spot. Education

is the crux of the problem as far as the municipalities are concerned and tax relief as suggested in the resolution will not help a great deal, except in the larger centres where there is a concentration of federal government property. The answer to the question of relief for the municipality in the field of education is federal aid to education.

I do not think it is necessary to sell that idea to any of the members of this house, regardless of the side on which they sit. However, the idea must be sold to the provinces. There are in Canada provinces which jealously guard their right to have complete supervision in the field of education. Unless you can get unanimity in the provinces I realize that the federal government is in an awkward position with respect to granting relief. If we do not give relief in the field of education, in my judgment any other gesture we may make will be only a palliative and will certainly not touch the crux of the problem.

Another way in which the federal government could help would be by accepting full responsibility for the employable unemployed. The 89 per cent of the municipalities that will not benefit under the formula proposed in the resolution are not in a position to carry the employable unemployed. I know that most of us who represent ridings away from Toronto, Montreal, Vancouver and the larger centres find that when we are at home most of our time is occupied in trying to find employment for people who are unemployed and whose insurance has run out. There is no employment in the community and you spend day after day talking to them and listening to the sad stories; and they are sad ones.

There is nothing the town can do. The municipality has not the necessary finances and, as I said before, it is already staggering under the burden of trying to pay the bills for education. By accepting full responsibility for the employable unemployed the federal government would be making a gesture to the parts of the country in which revenues are the smallest; I refer to the municipalities. Of course in 1945 that offer was made by the federal government at a dominion-provincial conference that did not finalize any of the suggestions or offers made in the green book proposals at that time. The federal government, without changing the constitution, can help in that field of the employable unemployed.

The municipalities also have another burden, and it has to do with the field of health. That burden arises in connection with the indigent people of the community who cannot afford hospitalization or medical attention of any kind. Most of the municipalities I have in mind have their own social service set-up in which people are paid to investigate and write little orders, which run into a great deal of money, without having complete responsibility for the indigent poor. They run into large hospital bills. Many of these people must be sent to other parts of the province. Then there is the matter of transportation, ward costs, nursing services and doctor bills. All that runs into a staggering figure in a municipality that has a population of 40,000, 50,000 or 60,000.

I have reference to the maintenance of the social service centre, the hospital ward costs, doctor bills and transportation for the indigent poor of the community. These are spots where neither the provincial government nor the federal government give any help. It is considered to be the burden of the municipality. The great majority of them, at least 89 per cent, are not in a position to meet those bills. That, of course, is something that should be taken care of through the Department of National Health and Welfare.

Most of the provinces are in this position; at least it is the position of the one in the end of the country from which I come. There is money available in the Department of National Health and Welfare provided they can match the grants, but it is the matter of matching the grants that deprives them of the opportunity of getting anything from the federal government. They have not the money with which to match the grants. I believe some formula should be worked out by the Department of National Health and Welfare with provincial governments to at least help in that field of providing social services and taking care of the indigent poor. That is another way in which the federal government could help by making use of the machinery that is already set up; and it would be some considerable help.

In that field of education also you run into the whole question of vocational training. That is something that is badly needed today. The press indicates a shortage of engineers, technicians and trained workers, that there is great need for them and all that kind of thing. There are in existence between the federal government and the provinces agreements that are very good, and a good job is being done where they can be applied. But in the end of the country about which I am thinking the difficulty is this. In order to get a vocational school started, a great deal of work and money is necessary. The federal government will pay 50 per cent of the capital cost of starting a vocational high school, but the province and the municipality between them must raise the other 50 per cent.

There are many municipalities that would have a vocational high school doing that kind of academic and vocational training if they were in a position to make their contribution; but many of them are not able to do so. I know centres in which they have studied the problem over the last 15 years and in which they have been willing and anxious to have these vocational schools. What has stopped them from getting them? The province is willing, the federal government is willing, but the municipality has not the money to pay their share of either the capital cost or the maintenance after the school is set up. They admit that quite frankly. I think, in time, the minister's department should sit down and take a square look at the equality of opportunity that exists in the field of education across this country, including these vocational training schools.

Now, Mr. Chairman, the hon. member for Rosetown-Biggar has already indicated that we intend to vote for this resolution. Personally I go along with him, and I will vote for it. However, I do not think it means very much. I am convinced that if the resolution were adopted it would mean very little to 80 per cent of the municipalities across the country, because in asking for tax relief mention is made of the sales tax and taxes of that kind. These things have been taken care of fairly well. We threshed that out for a number of years. The heavy equipment, like fire engines and bulldozers, purchased by municipalities is exempt from sales tax.

As I said before, wherever there is a concentration of federal property the municipality benefits considerably. Such municipalities are not the ones who need to benefit. The communities that need to benefit are those that are staggering under the load of education costs. Then there is the question of matching grants that are available providing the community has some money. The terms of this resolution would mean very little to those municipalities. However, in consideration of the little it does mean, I will go along and vote for it.

I would suggest the three things I have mentioned; federal aid to education; the federal government taking responsibility for the employable unemployed; and a square look at the whole field of matching grants by the Department of National Health and Welfare to see if something cannot be worked out under the present system to assist municipalities with their heavy load in connection with indigent people and social services.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): I, too, shall be brief this afternoon. I do feel that the amendment which the Leader of the Opposition has put forward today is the best of the four which have been advanced so far this session by the Conservative party. I think this particular amendment is timely. I think it is fair and I think it is reasonable. Perhaps, as the hon. member for Cape Breton South suggests, it has not gone as far as some might like, but it is a motion which I think would be of tangible assistance to the municipalities.

In recent years, as every hon. member knows, most Canadian cities and towns have had ever greater difficulty in balancing their budgets. Since the war municipal taxes have been increased year after year. They have become so high in many localities that they are almost unbearable, yet the costs of municipal government continue to outstrip the revenues which municipalities are able to collect.

I must say that this afternoon I was not very satisfied with the reply the Minister of Finance made to the Leader of the Opposition and other members who have spoken. I feel that, in very polite language, he has given the municipalities the brush-off for another year. As I say, his language was courteous but it was a very firm brush-off nevertheless. I say the minister is once again refusing to recognize this very real problem, at least to the extent of giving tangible assistance.

I think this is to be regretted, because part of the difficulties under which municipalities are labouring has been caused by the fact that the federal government is taking such a huge proportion of the over-all tax dollar. Most of the new taxes which have been imposed since the war by municipalities have been on real property. As a result, in many areas of Canada today the burden is becoming so intolerable that the wisdom of even owning a house is becoming questionable. There are many people who say, in effect, "Taxes are so high we might as well rent."

A number of factors have been responsible for high municipal taxes since the war. There has been the inflationary period which has made the purchasing power of the municipal dollar dwindle. There has been the huge increase in population in our cities and towns, which has meant new streets, sewers, sidewalks, traffic lights, hospitals and so on. Moreover the increased population has meant that every city has needed more policemen, firemen, garbage collectors and so on. Most civic employees have demanded, and rightly so, fairly substantial wage increases in the past 10 years.

As has been already pointed out, the municipalities have been expected more and more to absorb certain welfare expenditures, such as costs for the employable unemployed, the costs of taking care of the aged, the costs of

taking care of neglected children. All these costs have been increasing. Hon. members will have noted that since 1945 municipalities have frequently been called upon, in co-operation with the provinces and the federal government, to pay part of the cost of providing low-cost housing. It seems to me that these really are not expenditures for which municipalities should be responsible. Surely the senior governments should bear the full costs of these items. In any event these factors have stretched the credit of many municipalities in Canada to the very limit. In many localities they have pushed real estate taxes beyond reasonable limits.

What can be done? We have heard a good many suggestions this afternoon. Personally I think it is reasonable to ask the federal government to take the initiative in calling a dominion-provincial conference to discuss this whole financial problem of the municipalities. We could then see what could be done. I am absolutely convinced today that sooner or later the senior governments must explore the possibility of giving the municipalities a wider tax base.

In the second place, I think such a conference could consider relieving the municipalities of certain obligations which they have now, which are not particularly related to property ownership. Why for instance should the municipalities today be paying the costs of relief for the employable unemployed? Nor can I see why they should be forced to look after sick people, the aged and the like. As I said a moment ago, I feel these are responsibilities of the senior governments. Can anyone tell me why municipalities should have to look after civil defence? Surely that is an item which would fall within the jurisdiction of the federal government.

In the third place, and this has been mentioned already, I feel very strongly that the federal government should pay a normal taxation on all federal property in municipalities. The government has gone a long way in recognizing such a principle in the last few years, but many of the provinces still shirk their responsibilities. I think the provincial governments, as well as the federal government, should pay fair taxes on all their properties in municipalities.

The point has been made this afternoon that the government should exempt the municipalities from the payment of the 10 per cent sales tax on purchases they make. I certainly sympathize with such a proposition. It does seem ridiculous, as has been emphasized, that school boards and municipalities should have to pay a 10 per cent federal sales tax.

This afternoon the minister said that if he made one exception for municipalities probably he would have to make another for other groups. I suggest he has already made an exception to the rule, on behalf of the provincial governments, to hospitals and the like. All he would be doing now would be extending the same principle.

Finally, I do think if any such conference should be called it should give serious considerations to methods whereby municipalities could raise money for capital purposes at an economical interest rate. Some people believe that the Municipal Improvements Assistance Act of 1938 should be revised. There is a lot of merit in that proposal. Today the municipalities are paying rates of 5, 5½ and 6 per cent on borrowed money. These rates are too high. They are too high needlessly, because there is action which the federal government could take to alleviate the problem.

Personally I like the way they do it in the United States. Many of the municipalities issue bonds which the federal government makes exempt from income tax. It seems to me that if the Minister of Finance would consider permitting tax-free municipal bonds a lot of our municipalities would have some of their problems eased very quickly. They would be able to raise money at much lower rates and it would not cost the taxpayer an excessive amount of money. The problem of financing Canadian municipalities is a very important one today. I do not think this amendment will do everything to alleviate it, but it is a sound proposal and for that reason I am going to support it.

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I wish to take part in this debate because this amendment deals not merely with $10 million, $20 million or $30 million but goes beyond that and suggests that consideration should be given to measures to assist the municipalities of Canada to meet their mounting financial problems. That to me is the real question and, like the hon. member who has just taken his seat, I feel it is a question which the minister has brushed off.

I noted some of the answers the minister gave, particularly to the hon. member for Peace River. In answer to something the hon. member for Peace River had said the minister expressed his view that the municipalities could still borrow. Well, I am not arguing against that, but to me that is not an answer to the question at all. To me it is not enough to say that the municipalities can borrow. What I am interested in is that

the municipalities should be put in a position to pay their own way. Borrowing just seems to me to be a palliative; it is just putting it off.

Mr. Harris: I was discussing that part of his speech with reference to the Municipal Improvements Assistance Act.

Mr. Macdonnell: I realize that, but I still think my comment is fair.

Second, the minister said—and I would agree with him—that there would be a great deal of questioning raised if the federal government stepped in to give directions to municipalities. I would agree with that, but that does not seem to me to enter into the matter at all. I agree that the municipalities are the creatures of the provinces, but I still feel the government is faced with a problem which is not met entirely by just holding back and taking a negative attitude.

My third point is that the minister answered the suggestion that the federal government should pay their taxes by pointing out that in some of the provinces that was not done; in some others it was only partially done. I have no doubt he was right, but I find that very unsatisfactory for two reasons. First of all, those other legislative bodies have limits as to their taxing powers. Second, I do not think this small and to me rather niggling excuse dealt with the main problem.

It is a long time, Mr. Speaker, since W. S. Gilbert wrote this little verse; it is close to 75 years ago:

> Every boy and every gal,
> That's born into this world alive,
> Is either a little Liberal,
> Or else a little Conservative.

I suppose some of us feel the political world would be a simpler place if that were still true; but it still is true that every boy and every gal born into Canada alive has the privilege of three forms of government to live under. Nominally, of course, all these forms of government are his servants. They are supposed to serve him, the taxpayer. Nevertheless it is a fact that they do not always get on too well together. They do spend a good deal of the taxpayer's money in legal battles with each other, though not as much as previously. It would be interesting if we could find out just how much of the taxpayer's money has been spent by the various forms of government which he has set up in carrying out contests with each other. There was a period in the 1870's and the 1880's when one of the great industries of Canada apparently was litigation between the provinces, particularly Ontario and the dominion. Sir Oliver Mowat and Sir John A. Macdonald carried on continual controversy in those days, and of course we all remember occasions when there was not always the fullest co-operation between the dominion and the provinces. We all remember that in the year 1930 the late prime minister of this country, in his famous five-cent speech, said, as reported at page 1227 of *Hansard* of 1930:

> With respect to giving moneys out of the federal treasury to any Tory government in this country for these alleged unemployment purposes, with these governments situated as they are today, with policies diametrically opposed to those of this government, I would not give them a five-cent piece.

Those were some of the difficulties that we had, and it seems to me that we are dealing with this situation in what I find is a very disappointing way. We are not really looking at the matter with a broad enough view.

Let us agree that the municipalities are the children of the provinces. Sometimes they may feel like stepchildren; nevertheless the provinces have had to do and have done a great deal to recognize their needs and to support them. I find it difficult to describe actually the attitude of the federal government toward the municipalities. Perhaps one might say that they look on them as poor relations. My colleague the hon. member for Queens (Mr. MacLean) quoted from Charles Lamb a while ago to describe poor relations. I shall read one or two extracts from his remarks, as quoted at page 2871 of *Hansard:*

> A poor relation is . . . a drawback upon success—a stain in your blood—a blot on your escutcheon—a death's head at your banquet.

I do suggest very seriously that there should be and needs to be an entirely different approach to this matter. As I see it, plenty of evidence has been given in this debate this afternoon to show that the municipalities are really in a kind of impasse; and to say that it is to be left entirely to the provinces I find very unrealistic. The Prime Minister in his opening speech of the session said, and I quote from page 49 of *Hansard*:

> In general, we did not see any need to share in the normal costs of growth of provinces and municipalities.

The word "normal", of course, is a word that could be debated a good deal; nevertheless I find that a very disappointing statement. I continue to quote from the Prime Minister:

> The financing of this growth presented problems, but they did not seem to us to require a federal solution.

I shall try to argue later on that they do very much require a solution where all three forms of government come in, because if we have reached, as I suggest we have reached, an impasse so far as the municipalities are concerned, then what other course is

there? Surely we are not going to regard the present situation of the municipalities as a normal feature of growth. Surely it is abnormal. Surely we do not believe we are in a constitutional straitjacket; surely we do not believe that it is impossible, if the need arises, to make some change whereby the municipalities will be able to live.

I suggest again that the attitude taken by the Minister of Finance this afternoon, following what the Prime Minister had said earlier in the session, is practically saying, "Now, there is a problem here but we are not going to have any part of it". I do not believe that can be the final word. I just cannot believe it and that is the reason I want to make whatever contribution I can to this discussion.

Here we have a taxpayer who is paying taxes to the municipality and to the federal government, leaving the province out for the moment. As the Leader of the Opposition outlined earlier, the taxpayer receives from the municipality a great many things including streets, education, sanitation, street lighting and police protection. I could go on and add to that. The federal government pays huge sums for defence, in which the taxpayer is concerned. It also provides family allowances when his children are young and an old age pension when he is old. Through the Minister of National Health and Welfare it provides circulars telling him what to take when he goes on a picnic and how to deal with baby talk and other things contained in various publications.

If the taxpayer is going to be put in the position where he finds that notwithstanding that he has to pay so much money to his federal tax collector there is not going to be enough coming to his municipality which is so close to him to enable it to do the things which are necessary, then he will very properly think we have reached a constitutional impasse.

I do not intend to dwell on the figures which have been given as to the extraordinary change which has come about in the last few years, but I shall just mention those figures briefly. In 1930 the municipalities collected $306 million and the provinces collected $157 million. It is difficult for us to realize that the provinces collected so much less then. The federal government collected $315 million in 1930; provincial governments, $157 million and the municipalities, $306 million. In 1951 the figures were: federal $3,791 million; provinces, $918 million; municipal, $636 million.

That is before the transfer of funds. Those figures represent the actual collections made by the three bodies. The result is that from 1930 to 1951 the municipal revenue had doubled, the provincial revenue had multiplied about six times and the federal revenue had multiplied about 12 times, increasing from $315 million in 1930 to $3,791 million in 1951.

I think we must all agree that this leaves the municipalities in a very difficult situation. The municipal burdens have multiplied and, as has been pointed out, we have the irony that by reason of exceptional activity and tremendous industrial growth the various municipalities which are experiencing this activity in its most extreme form and which are providing huge amounts of taxes for the federal government and are also providing in large measure the gross national product from which the federal government derives buoyant taxes, are having great difficulties in providing their necessary services. If some of the calculations now being made prove to be correct I gather that the federal taxes this year may be so buoyant that the minister's estimate of his surplus may look like small potatoes next December; however, that is in the future, and it is just a matter of gossip.

I suggest that this municipal situation is an urgent problem and that nothing is being done to grapple with it. We are really pretending that it does not exist. I agree with what the minister and someone else said, that even if this resolution were adopted the amounts involved would not go a very great way toward solving the problem; that is why I took great pains to read the broader words which I think are most important:

> . . . immediate consideration should be given to measures to assist the municipalities of Canada to meet their mounting financial problems.

I am not fooling myself that those sums will actually make a tremendous difference. What I am interested in is this broad problem of taxing power, to create a situation where those who spend the money shall as far as possible be able to raise it.

I have already tried to say that the things which come from the municipalities are the things of every day importance, things we need and which enter into our lives more closely than anything else. The dominion takes enough money to get along. I can imagine the Minister of Finance saying to a hard-pressed treasurer of a municipality, "How are you getting along? I am all right. I have a nice big surplus." And I can imagine the treasurer of almost any of the thousands of municipalities across Canada saying, "How I envy you; that is not my position." Then he might go on and remind the minister that the reason the minister has this surplus is

because he is taking so much from the citizens of that municipality who usually contribute to him vastly more than they do to their own treasurer.

Mr. Rowe: They might get some back next year.

Mr. Macdonnell: My colleague has suggested that there might be a method in the minister's attitude. We have already mentioned that, and of course next year is next year with its various possibilities which have not yet been finally declared but upon which we are all reflecting.

I am not going to spend much time in talking about the actual plight of the municipalities. Ottawa has already been referred to, and anyone who drives along the streets of Ottawa must get a terrific object lesson as to what is happening here.

I would like to quote one or two short passages from the remarks made by the premier of Ontario and also the metro chairman. In quoting the premier of Ontario I would like to remind hon. members that he has been a man of moderate statements. I do not think anyone can suggest that moderation is not his characteristic, and when he speaks as strongly as he does I for one feel he is entitled to be taken very seriously indeed. It is not as if someone who has been in the habit of indulging in wild and extreme statements were saying these things; it is quite the contrary.

The other day Mr. Frost felt it necessary to warn the municipalities, and these were his words:

> The provinces and its municipalities face the immediate prospect of financial belt-tightening and doing without the roads, sewers and schools and other services which make this province so attractive to industry.

I find that a very disturbing statement. I think we have quite enough knowledge to know it is not an exaggerated statement. I know that two or three years ago the then superintendent of education, Mr. J. G. Althouse, made a comment with regard to the next three years which he described as crucial years. That took place in 1953, and he was right. He was apprehensive of a situation wherein we might not be able to give adequate payment to school teachers. He felt we would have to pay so much for physical things needed in education that we would have to pinch in teachers' salaries which I submit, and I know the minister would agree, is the last place in the world in which we should have to pinch.

At the same time, in speaking of the difficulty of this ironic but real situation, Mr. Gardiner, the metro chairman said:

> We have to finance too much expansion in too short a time.

Proposed Tax Relief for Municipalities

Then he went on to explain that the municipalities are poor because of their sudden prosperity. I quote again from Mr. Frost, who in speaking of Ontario's needs said:

> They were not imaginary needs and we would not be victims of our own prosperity if we had a realistic share of the tax revenue the producing of which is causing our troubles.

I have taken the people in Ontario to begin with. We are in the midst of great industrial activity which is stimulating a business boom and providing, incidentally a large amount of taxes. I want to refer briefly to Winnipeg, too. An article appeared in the *Free Press* the other day pointing out the problems the people there are facing. They are looking forward, as is everyone else, to an increase in population. The *Free Press* had this to say:

> Acre upon acre of now undeveloped ground will have to be subdivided, sidewalks and roads will have to be planned, water and sewer lines laid. These lines will have to be serviced. A heavier suburban population will complicate traffic to and from the downtown area. This will require new bridges, arterial highways and perimeter roads. There will be many other problems—shopping and industrial districts—parks and schools.

I repeat that I do not believe that anybody looking at the situation as it is thinks the municipalities unaided can take care of this situation for the next few years, and indeed indefinitely into the future. I come back again to what I have said more than once; what I think should happen and what I think is necessary above all things is a frank realization of this and an utter abandonment of the attitude of the Prime Minister, as indicated by the words I quoted a little while ago, when he said he did not see any need to share in the normal cost of the growth of the provinces and the municipalities.

I want to say a word about what has happened elsewhere. In the United States they have roughly the same kind of situation that we have except that there the residue of power is in the state and not with the federal government as in our case. I have here a report which I think is worth putting on the record, although I do dislike reading anything. This is a recommendation to the president's commission on intergovernmental relations in the United States, and I am quoting from section O, page 13 of the brief submitted to the Gordon commission by the Canadian Federation of Mayors and Municipalities:

> The committee recognizes that intergovernmental fiscal relations in a federal system have never been, nor can remain static. A neat allocation of functions to be performed exclusively by each level, a complete separation of revenue sources by levels of government, and a dedication of particular revenue sources to the financing of particular governmental activities—these are no

longer workable approaches, even though logically appealing. In their stead must be adopted a new theory of parallel interests, a parallelism in both revenue sources used and in functions performed. Some governmental activities, once local, are now tinged with a strong state and federal interest; and some revenue sources, or the proceeds therefrom, which were once the property of only one level have now become common property. This more flexible approach permits collection of revenues by those governments better able to collect certain revenues, and transmission of portions of the receipts to governments better able to carry out the governmental activities, but with changing concepts of which governments are "better able" in both areas.

There has been certain progress made here in Canada, and of course I am not overlooking that. I am not suggesting that what has been done in the United States could or should be done here in any detail. All I am saying is that there is a problem and that the attitude which the Prime Minister and the minister have taken to date seems to me to brush it aside and to give no effect to its reality.

Let me interject one thing before I forget. The action of the federal government has vastly increased this municipal problem. The buildings erected under the National Housing Act and the activities of Central Mortgage and Housing Corporation have laid tremendous burdens upon the municipalities. Payments have been made from time to time—I can recall a small payment made to Toronto in connection with slum clearance—but by and large I believe the approach to this problem has been largely on the basis of allowing the municipalities to carry on as best they can on the principle, "Root, hog, or die".

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Macdonnell: Mr. Speaker, when the house rose at six o'clock I had been discussing the question raised by the amendment of the Leader of the Opposition. I had confined myself in the main to urging that the broad problem of the mounting costs of municipal administration should be considered, and had said a good deal less about the actual taxes mentioned in the amendment. But the more I think about it the more it seems to me that there is something almost preposterous when one thinks of the situation. Here is the federal government taxing in a good robust way the individuals who are comprised in the municipality. Then when the federal taxpayer has digested the amount of his tax and borne it with as good a grace as possible, he finds he is attacked from a different direction; that is to say, he is going to be taxed through the municipality to which he belongs. I suggest, as I said a moment ago, that there is something almost preposterous in that.

He pays huge sums to the dominion and then he finds that the municipality to which he has paid his taxes, by reason, as I say, of a situation which I think has reached the impossible, is not able to carry out what he expects it to carry out. I gave an illustration this afternoon, a quotation from Mr. Frost of the restrictions, the drawing in, the retreat which is going to have to be made in the Toronto area, and that is only one of many hundreds of cases across the dominion where no doubt there will be exactly the same kind of difficulty. I suggest that there is bitter irony in it, and that this is something that should be taken seriously.

I am not prepared to offer any facile offhand suggestions as to exactly how the matter should be dealt with. I think it is very difficult. I think it demands great study. But of course the first prerequisite of all is that the government should admit that there is a problem; and as I read twice from the Prime Minister's speech on the address this afternoon the government has clearly announced to us that it apparently does not think there is a problem with which the government should concern itself so far as the municipalities in what is called their "normal" operations are concerned.

Though I am not going to attempt to lay down the detail as to how it should be done, I am going to refer very briefly to a document which contains some very interesting suggestions and which I am sure the minister has seen. It is a document entitled, "Urban Growth and Municipal Finance" prepared by Professor D. C. Corbett of McGill University. I propose to refer very briefly to certain suggestions he makes in the section he has entitled, "The Problem Today", that is, the problem I have been endeavouring to discuss. He says:

> What can be done about it? There seem to be two courses open. Either municipalities must be relieved of some of their present responsibilities, and these be taken over by senior governments; or the municipalities must find more funds.
>
> There are some who advocate the first approach. They point out that education, health and welfare are national problems, not local ones, and they argue that senior governments should pay for them.

Then he goes on to point out what I think we all recognize, that there are serious dangers in turning over municipal functions to senior governments. It means increased centralization. It means the lessening of a sense of individual responsibility at the stage where it

ought to be strongest, where individual supervision can be most effective. He goes on to say:

> The fewer important functions local governments have to perform, the less vital will local democracy be, and the more apathetic will be its electorate and representatives. Strong local governments, doing significant work, are worth preserving . . .

Then he goes on to the second alternative and says:

> The second alternative before our municipal governments is finding more revenues. How is this to be done? Some advocate increased provincial grants or even federal grants . . . The scheme is very attractive, has much to recommend it, and under certain conditions may be the proper solution.

But then he raises the objection to that. He says:

> A relationship of financial dependency between local and senior governments will inevitably result in increased power for the senior governments.

Much more is said on that but I do not propose to quote it. What I have read raises the points very clearly, and I think we all recognize their importance. Then he goes on to make comments which are especially relevant to what we are considering in this resolution. He says:

> . . . there is one form of senior government payment to municipalities which is free from these objections.

That is the objections of centralization and so on. Then he goes on to refer to the payment by senior governments of their municipal taxes on crown property. Later he goes on again to say:

> Another way in which the federal and provincial governments could come to the assistance of local governments would be to relieve them from payment of federal or provincially imposed taxes.

He says that a case in point is the federal sales tax. Again I skip. Finally he comes to a point which should not be ignored, and which in itself demands a great deal of study. He says:

> The one remaining way to increase municipal revenues is to raise local taxes.

Under that heading he goes on to speak about the real property tax and he says what I think we will all agree with:

> But there is no escaping the conclusion that the real property tax has, in general, failed to keep pace with cost rises and urban growth.

I am not going further into that, Mr. Speaker. I commend this memorandum to the study of everyone who is interested in the problem. I say again that I hope with all my heart the government will abandon the attitude it is taking now, because I believe that here is a very important matter. I believe the analysis of the problem contained in this memorandum goes to the very root of the matter, and I feel very deeply that if this situation is allowed to go on without being firmly grappled with, without a recognition of its importance, without a real attempt to bring all levels together and to find a solution which will carry the judgment of sensible and sincere men, if that is neglected then we may come to realize before very long that the grave words which the premier of Ontario used were none too strong and were only too true.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I was very interested today to hear the reply given to the opposition by the Minister of Finance. I realize he did his utmost to find arguments as to why the amendment should not be adopted by the house. After analysing them I have come to the conclusion that of all the arguments he presented the only one that had any substance to it was that a vote in favour of the amendment was a vote to unseat the Liberal government now in office. When a minister of the crown has to resort to an argument as weak as that he is, in my opinion, on very poor ground indeed.

Mr. Harris: That was an argument on my own behalf, as to why I was going to vote against it.

Mr. Knowles: That makes it weaker still.

Mr. Regier: Mr. Speaker, I heard the minister's interjection. I also know full well enough the workings of the Liberal party to know that it takes only a statement such as that on his part to make all the rest of the boys fall in line.

Mr. Ellis: Toe the line.

Mr. Regier: The only hon. member on the government side of the house who has seen fit to come to the defence of the government in opposition to this resolution is the hon. member for Fort William. The hon. member said in effect what a wage earner receiving about $500 a month would say to his family if they asked him to buy some milk for the family from the milkman. This man receiving $500 a month would say to his family, "Boys and girls, I love you all very dearly. However, if I must buy milk for you, you will understand that I can no longer afford to pay the rent and you will be compelled to live out on the street".

For the hon. member for Fort William even to indicate that if the modest request of the resolution were met it would mean that we would be obliged to reduce any of our welfare measures is simply too ridiculous for any of the intelligent people of Canada who know

anything of the resources available to the government here in Ottawa. The minister himself admitted that it might cost $20 million or possibly $40 million to implement this resolution; yet only a few weeks ago in the budget debate he prophesied a surplus of over $100 million. Hence the argument that if this resolution passes we shall be obliged to reduce veterans' pensions or any other pensions is just too silly for the people of Canada to consider at all seriously.

I feel that the minister was also rather ill advised when he informed this house that municipal government came after the senior forms of government. I am sure the minister did not really think of what he was saying, because I know that he knows enough of the history of the democratic world to know that municipal government preceded national government by hundreds if not by thousands of years.

Mr. Pickersgill: Not in Canada.

Mr. Regier: I am sure the minister has heard of the city states that were in existence long before such things as provinces or nations were heard of. The root or the heart of democracy is in our local forms of government at the present time. I believe even the minister himself, when he was a municipal councillor or discharging his duties in whatever local office he held, at that time rendered as great a service to the nation in the long run of things as he is now rendering as Minister of Finance for the Dominion of Canada.

I have an extremely high regard for our local school trustees, our local aldermen and our local municipal councillors. Those people receive practically no remuneration. Let me assure you that they are engaged in the wear and tear of practical democracy such as we, sitting up in our wonderful offices in Ottawa, have little appreciation of. If these people fail in their task, then our pretence to be living in a democratic country means nothing whatever.

As usual, in the minister's reply I noticed once again the efforts of the Liberal party to hide behind the skirts of the British North America Act. May I say to the minister that the people of Canada have taken to heart the intention and the real meaning of the British North America Act. The Liberal party have never yet taken to heart what the fathers of confederation really meant when they founded this nation. Ever since that time the Liberal party have used the British North America Act as an excuse to cover their inability to face a problem squarely when they met it.

I should like to say that all the means we have advocated in this house whereby this government might help the lower levels of government, including municipal government, have already been adopted by this Liberal government, and in adopting those measures they have never said that they were violating the spirit of the British North America Act. By the minister's own admission the federal government make funds available for education. They give grants to the universities of Canada. In essence, Mr. Speaker, there is not a particle of difference between giving grants to universities and giving grants to the elementary schools of the nation. Since this government has adopted the principle of some responsibility in some matters in Canada, all we are asking is that they assume sufficient responsibility to enable our lower levels of government to do a job.

In the field of civil defence this government have assumed some responsibility, yet they insist on unloading the major portion of the burden on the lower levels of government. I am not one who for one moment will advocate that this government should assume the entire cost of those functions that are assigned, and wisely so, to the lower levels of government. I think one of the fundamental elements of democracy is that those who administer should also be responsible. In all these measures, therefore, I am advocating only that a larger measure of responsibility for the cost be carried by this government. If we want responsible government, I maintain that those who administer government should be responsible for some share of the cost. However, I feel that at the present time our local governments are asked to assume an undue responsibility when it comes to sharing the cost.

After all in 1867, at the time the fathers of confederation formed Canada, we had an entirely different situation throughout the nation. The major source of revenue to any government at that time was taxation of real estate or taxation of property. At the present time the major sources of revenue are such things as income tax, sales tax, tariffs, duties and so forth. The revenue resources now available were not even visualized or imagined at that time.

In the field of health this government have assumed responsibility. They have never yet said they were violating our constitution when they agreed to pay, in effect, $1,000 per bed as a federal grant for the construction of hospitals. What we complain about is that the lower levels of government which have not had these additional sources of revenue are being asked to pay the remaining $19,000 of the cost of these hospital beds. It simply breaks my heart when I see these

kind, willing and loyal citizens, these ladies of Canada, standing out on the street corners in Canada with their tin cups pleading with you please to buy a tag, or to donate 25 cents to the cancer fund, the heart fund, the Victorian Order of Nurses or what have you.

Here we have this federal government paying just a minute share of the cost of health. They are willing to assume credit and win elections on the basis of having assumed responsibility. Yet when it comes to paying a reasonable share in relation to their income, to their share of the national tax dollar, they hide behind the cloak of the British North America Act and say that after all health is a matter for the provincial and municipal governments.

Mr. Pickersgill: Mr. Speaker—

Mr. Regier: The Minister of Citizenship and Immigration—

Mr. Pickersgill: I am rising on a point of order. I wonder how the hon. gentleman relates this interesting constitutional discourse to the very limited and restricted motion of the Leader of the Opposition.

Mr. Regier: I am not in the fortunate position of having the exact wording of the amendment before me, but as I recall it it calls for greater federal aid to municipal governments. I feel, therefore, that the financial relationship of these senior governments to the municipal governments are very much at issue before the house at the moment.

In the field of welfare this federal government has assumed responsibility, and makes no bones about the matter. I should like to compliment them on having gone as far as they have gone. However, they still leave a great deal of the onus on the local municipal government. In the matter of unemployment they were unable to see their way clear to assuming the major share of that responsibility, and even yet the major share is left on the shoulders of the municipal government. In the matter of slum clearance, even today the onus is left on the shoulders of the municipal government, though this government in more ways than one has admitted responsibility. This admission of responsibility, Mr. Speaker, is only for election purposes and does not mean too many dollars and cents to the taxpayers back home. Even in such a relatively minor matter as law enforcement, in my municipality at least that is carried out by the R.C.M.P. They do a magnificent job. We realize that this force is subsidized, but the major portion of the cost is once again put upon the municipal taxpayer.

In the matter of sales taxes, this government have already made a concession. They have exempted some municipal purchases from the sales tax. If they have adopted the principle, may I ask what is there in the British North America Act to prevent this government from going the whole hog and exempting all municipal purchases from the sales tax? There is no constitutional argument. I came to only one conclusion from the minister's reply and that was that the only valid reason the minister had for voting against the amendment was that he looked upon it as a vote of want of confidence in the government. I presume he was hoping that his followers would adopt the same course.

Since we have a Department of National Defence it is only natural that civil defence should always be thought of as a national responsibility, but the federal government is unwilling to assume the major share of that responsibility. The Minister of National Health and Welfare goes about the country bragging about the arrangements that have been made for civil defence. Everybody who knows anything about civil defence knows they are a farce. If the minister or the government would call it a civil disaster program they might win some public support. As it is they call it civil defence, which puts the responsibility on the shoulders of this government, yet this government fails to meet that financial responsibility. I should like to ask the Minister of Finance how he can expect municipal governments to provide bridges out of our major cities for civil defence purposes if civil defence is the responsibility of the federal government. They have admitted it is, because they assume responsibility for at least a portion of the cost.

In the field of education, our municipalities do not know where to turn. When I see that the average home owner in some Canadian cities has to pay a municipal tax levy of about $400 per year I am simply flabbergasted. If my people back home would realize that unless some remedy is found the average home owner in Burnaby will be faced with a tax levy of $400 by his municipality, I can assure the minister that not one Liberal would be returned from British Columbia at the next election. There are Canadian cities now where the average home owner has to meet a levy of that sort. How is the man on a fixed income supposed to manage that type of levy?

I believe it was the Rowell-Sirois commission report which many years ago had this comment to make, in effect; that if the federal government had exercised the same prudence in the expenditure of money that the municipal governments have for years been forced to exercise, things would be quite different in

Canada. A million dollars here means nothing, as has been expressly stated by one of the cabinet ministers, yet a couple of thousand dollars means a lot back home. In the matter of highways, once again the government cannot hide behind the British North America Act because they have already assumed responsibility for a national highway. They are unwilling to assume enough responsibility, however, to relieve the lower levels of government. In the field of town planning this government has assumed responsibility, yet it is unwilling to institute some form of national town planning whereby the municipal governments might get relief. In the matter of slum clearance this government would be able to do a great deal in relieving some of the burden of the local governments.

I have read several articles by the hon. member for Vancouver South, who is quite a columnist, in which he blames the local municipal governments for failure to take the initiative in connection with slum clearance in Canada. We cannot expect municipal taxpayers to agree to the sale of debentures for slum clearance purposes. Obviously this is a problem that is of greater significance than the local municipality in which a ratepayer lives. I understand that some time last year the Prime Minister made a public statement to the effect that he was opposed to the federal government subsidizing the rate of interest at which municipal governments might borrow money.

I would be all for the federal government subsidizing the interest rate, but I should like to ask the Prime Minister if he would at least agree to make funds available for self-liquidating projects in municipalities at a rate of interest that will not involve subsidization. Will he agree to make this money available to the municipalities at the same rate of interest at which his government is able to borrow money? This might mean 3·5 per cent instead of 2·5 per cent, but even that would be going a long way toward meeting the problem.

I think the Prime Minister is interested only in turning back the clock in Canada, and in using the British North America Act to retrace some of the progress the Canadian people have made since the days of William Lyon Mackenzie King. I am convinced of that, and the more of his too few speeches I read the more firmly I am convinced that this is his determination, that this is his policy. I therefore plead for the reopening of the operations of the Municipal Improvements Assistance Act. According to the Minister of Finance, the government used it as a means of relieving unemployment in the hungry 1930's. I would recommend to him that he reopen and greatly expand the operations of that act in the matter of capitalization in order to relieve the growing burden of taxes on the homes of the people of Canada. He has it within his power to do so if he but will.

I am afraid he is more interested in seeing available capital in Canada being freed for H. R. MacMillan, the Bell Telephone Company and all the other monopolistic enterprises in Canada that are forever seeking the loose investment money that happens to be floating around. This government is not interested in laying its hands on some of that investment money that is available and making it available for the social needs of the Canadian people as a whole.

In the matter of the sales tax the minister says if we grant further exemptions it will be too difficult to administer. I have heard other members of the government, or supporters of the government, give other reasons throughout the country as to why the government did not allow a 3-ton gravel dump truck to be exempt from the sales tax. After all, you cannot trust these municipal councils and aldermen, they argue. They might buy this 3-ton dump truck for purposes of gravelling their roads, and for all we know the next minute they might turn around and sell it to some pal of theirs. They have not the confidence in these thousands of men and women across Canada who are the bulwark of democracy in the country. They think some municipal officer might do the federal treasury out of some revenue by turning around and using his municipal office as a bootlegging place. I resent the insinuation very much. I know the minister did not use that argument. He simply said that the technicalities involved would make it more difficult to implement the act.

With respect to taxation of federal property, only this morning I replied to a letter received from a ratepayers' organization. This letter asked me to do what I could to influence the federal government to pay its full share of local taxation on any and all property it might own within the municipality. The minister cannot again use the British North America Act, because already the government is granting recognition to some municipalities to a limited extent for purposes of making allowances or grants on any real estate or property that is owned within a municipality. We are asking the minister to go the whole hog in this respect; we are asking him to pay the full amount of taxation on any property the federal government owns in any municipality of Canada.

I would also like to put in a word on behalf of decentralization. Surrounding the major municipalities there are the suburban municipalities, yet practically every department of

this government is concentrated in the larger cities, and every civil servant who is responsible for the administration of a department of government within the larger city resists any decentralization of his department within the province. This is only natural. The more the province grows and his department grows with it the higher is his rating in the civil service, the higher is his prestige and influence and the higher is his own personal salary. I feel this government should set an example to industry and should decentralize its own departments in the suburban municipalities. In that way many of the suburban municipalities would be entitled to some tax relief or grant, call it that, from the federal government.

Another little thing I would like the minister to do to help the local governments is to rid the municipalities of the substandard homes owned by this government in the municipalities of Canada, or homes privately owned that exist on land or water under the jurisdiction of the federal government. We have them in Burnaby; we have had them for years. Those people live on the water; they live on the flats, on land owned by this federal government. The taxpayers must pay for the education of the children of those families; the taxpayers must pay for the social needs of those families, and those social needs are usually greatest among those families. Yet for years the municipalities have endeavoured to have the federal government assume its proper responsibility in this regard, but it does absolutely nothing.

These people live there. Call them squatters, if you like. I do not wish to. I wish them only well. However, this government has it within its powers to at least relieve the municipal governments of the financial responsibilities, especially in regard to education and welfare, in connection with the people who live on federal property and in many instances in houses owned by the federal government.

I realize, and I hope some day this government will realize, that in 1867 the major share of revenue was available to local forms of government, and the major share of responsibility was laid on local governments. In 1956, almost 100 years later, the major share of revenue, the lion's share in fact, is in the hands of the federal government, yet the lion's share of the burden has been left on the shoulders of the municipal governments and responsibility has been assumed by this Liberal federal government only to the degree they thought it necessary to assume it for the purpose of winning elections.

Mr. R. W. Mitchell (London): Mr. Speaker, I have heard an expression used on more than one occasion which struck a chord in my mind. That expression consisted of the words "brushed off". They were used with reference to the attitude of the Minister of Finance toward the pleas which have been made to him by officers of the municipal governments over the years. I attempted to find out where I had heard those words before. I found that those exact words had not been used, but words which might equally apply came out of the minister's own mouth in his reference to the Minister of Trade and Commerce. On March 20 I heard him say—he was talking about the well-known quality of optimism of the Minister of Trade and Commerce—as reported at page 2325 of *Hansard*:

> I would be happy if other qualities of the Minister of Trade and Commerce were also to rub off on me.

I would hope, Mr. Speaker, that some of the observations made during the course of the debate today, and some of the representations that have been made over the past few years would also rub off on the Minister of Finance. I prefer to use another expression in so far as the minister's attitude toward the municipalities is concerned. I would prefer to say that he has enjoyed kicking that ball around more than any other thing since his tenure of office as Minister of Finance commenced.

I suggest, Mr. Speaker, that one has only to read any newspaper on almost any given day in almost any town, city or village in this country to realize there is a crisis at hand. In recent weeks and months municipalities from one end of this country to the other have been giving urgent and serious consideration to their budgets. They have been striking tax rates, and in each and every case I submit they are having a hold the line battle which this government in many ways has failed to win itself. They are having to cut where they should expand; they are having to cut down on essential works, many of which have been mentioned this afternoon, simply because there is not enough of the tax dollar left to provide them with the means of producing the services which each and every municipality needs.

I amongst many others, Mr. Speaker, have welcomed this debate for the purpose of pointing up the problems which municipalities have attempted to meet, with apparent lack of interest on the part of the government, and of pointing out certain remedies many of which have already been suggested this afternoon.

I have heard it said that municipalities have to buckle down and start being careful about their dollars. It has been said they

have to start cutting out the frills; they have to cut their sail to fit their cloth. I agree that in some cases frills have crept in. The minister himself is well aware of many demands which he considers to be of the frill nature. I must agree with him in respect of some of them, but I wish to state most emphatically that the average municipal government is doing its utmost to provide essential services. The great majority of municipal governments find themselves completely unable to do so with the share of the tax dollar which is left to them.

Just a year ago we had introduced in this house an amendment to the Municipal Grants Act. That amendment was supposed to be the cure-all of municipal troubles. I had occasion, Mr. Speaker, to refer to this nibbling government not more than two weeks ago, and the amendment which was introduced to the Municipal Grants Act last year was nothing more than a nibble. It was typical of the approach which this government has taken to almost any problem with which it has been confronted. It was nothing more than a half measure. I suggest there is only one conclusion to which we can come, and that is this government has become so old that it has lost its teeth and can no longer take a good healthy bite at anything.

An hon. Member: Fluoridation.

Mr. Mitchell (London): It continues in its toothless, gum-filled fashion to attempt to meet the problems of the day in what I can only describe in parliamentary language as half-way measures.

The minister this afternoon brushed this problem off or kicked it about, whichever expression you may want to use. As evidence of the fact that there is a problem I could refer to a resolution passed by a municipality which I must confess is not conspicuous for following the Conservative party. The municipality to which I refer is represented by the Minister of National Health and Welfare—there is no greater protagonist of the art of the grant—and the hon. member for Essex West, who is an able student of the minister.

That municipal council represented that there is a problem. The Minister of Finance referred to it today I thought in rather a sneering vein. I am only sorry that the Minister of National Health and Welfare did not hear the minister's reaction to what his own municipal council had produced. That council passed a resolution this year which I propose to read. It refers to the question of borrowing money which the minister frowned upon this afternoon by saying, "Well, all they want is to get cheaper money". Nevertheless it points up the problem which all these municipalities face. The resolution reads as follows:

> That whereas many municipalities in the early 1920's were compelled by post-war expansion to finance their improvement program by the sale of debentures at an interest rate of approximately 5½ to 6½ per cent;
>
> And whereas during the 1930's most municipalities faced bankruptcy by reason of the depression years, a condition which was greatly aggravated by the high interest charges in outstanding debentures, with the ultimate result that many municipalities were unable to carry out an orderly program in the repayment of their debenture debts;
>
> And whereas during the last war, municipal improvement programs were abandoned in favour of exhaustive efforts aimed at the production of war materials for our fighting forces abroad resulting in an accumulation of works to be undertaken at the conclusion of the war;
>
> And whereas the credit of many municipalities is presently heavily taxed and in order to provide for these needed improvements, an increase in the debenture debt is inevitable;
>
> Therefore be it resolved that the federal government and the Bank of Canada be requested to consider establishing a fund from which municipalities may borrow on debentures to finance urgently needed essential works, at an interest rate not to exceed 3½ per cent.

This resolution came from the city of Windsor, and may I say it was also endorsed by the municipal council of the city of London and many other municipalities across this country. I do not necessarily approve of this particular remedy, if it is a remedy. I simply bring this out as a means of establishing that there is a problem which must be faced realistically.

I wish to refer particularly to the question of the cost of the federal government taking on the payment of grants in lieu of taxes on all federally-owned property. Last year at the sittings of the banking and commerce committee when we were considering the Municipal Grants Act the figure given as necessary to carry out that bill was $12 to $14 million, and the figure to be authorized by the particular amendment was $6 million. We were told by the minister that there were constitutional difficulties in the way. We were told that in some cases the federal government buildings provided their own services. But we still keep getting away from what is the basic problem, and that is to put the municipalities in a position where as a spending authority they may spend the money which they themselves have raised. That is the problem.

I should like to refer specifically and by way of example only to my own constituency of London, which is one of a group of larger cities which has a substantial percentage of its total assessed property owned by the federal government. Prior to the amendment

last year it did not benefit under the Municipal Grants Act, but as a result of that amendment it did. The problem may be briefly stated, as it has been stated already. The limit of taxation on real estate has been reached, in fact in many cases it is already over the top. For a city which is confined within certain limits, which is growing and in which federal services are continually being added and increased, the share of federal government holdings of total assessable property is constantly increasing.

These municipalities still have to come here as nothing better than beggars, with their hats in their hands. The government finds itself in the happy position, which it apparently is determined to maintain, of being able to make hand-outs on any given occasion rather than put itself in the position where as a matter of right, according to a formula which has been previously agreed upon, certain payments shall be made.

The minister made much of his statement this afternoon concerning payments by various provincial governments of allowances in lieu of taxes. I would point out to him that in most of the municipalities which were listed last year in the proceedings of the banking and commerce committee there are few if any provincial buildings. In fact I challenge the minister to produce evidence of anything in the city of London in the nature of provincial buildings to the extent that there is in the way of federal buildings.

Mr. Harris: I did not suggest that every municipality in Ontario had provincial buildings.

Mr. Mitchell (London): The minister was making the point that the provinces did not make any specific allowances in lieu of taxes, and therefore why should the federal government do so.

Mr. Harris: No; I made the point that provincial governments, with the exceptions I mentioned, were not making payments on the basis of the general tax rate. I suggested that there must be reasons for that, but I did not draw any conclusion that we should not do so.

Mr. Mitchell (London): I still make the point that the problem of provincial buildings, for example in London, does not by any stretch of the imagination compare with the problems created by the assessed value of federal buildings in the same locality. So we find ourselves with the government in the happy position where it is handing out this largesse as and when it sees fit to do so, when in fact it is doing nothing more than return to the municipalities money which it has raised from those municipalities.

I do not propose to comment on the constitutional problem which the minister loves to raise, that the payment must be as a matter of grace and not as a matter of right. I submit that this government should be in the same position money-wise vis-à-vis the municipality as any other taxpayer who is carrying on business or living in that municipality.

So we go on with no solution. The Minister of Finance is doing his best to perpetuate a position which he obviously enjoys with relish. In the meantime the municipalities are suffering. We have heard that $12 million to $14 million is involved. We have heard that there was some $6 million involved in the amendment brought forward last year. We have also heard the figure of the surplus which has been "guesstimated" from time to time during this fiscal year.

I suggest that the hon. member for Greenwood and the hon. member for Dufferin-Simcoe put their fingers on the very heart of the matter when they pointed out the percentage of the tax dollar now being received by the three levels of government. I suggest that the federal government is doing nothing more than compounding a felony by accepting a greater percentage of the tax dollar and then refusing to take its full part in the payment of taxes within the municipalities.

There is another benefit which I suggest would arise under prudent management, as a result of the federal government taking on its full tax responsibility in the municipalities. As time goes on we find that more and more of the most valuable downtown properties in our cities are being held by the federal government in order to provide service in one way or another to the public of the city and district served by those particular buildings. I suggest to the minister that prudence would dictate that many of those buildings be removed to less valuable sites. If the dominion government were paying full taxes such as business and industry would normally pay, they would move to less valuable sites. Such a move would not only assist the municipality but would enable it to obtain full taxation from business or industry which might occupy that building, which at present may be more valuable than is required by the federal government to carry on its operations.

I commend the government for one move it made last year, when naval headquarters in London was moved from one of the most valuable pieces of property in the very heart of the city to a site which, while not unanimously agreed upon, is at least suitable for the operations of a naval establishment. Thus valuable property has been released for business and industrial purposes.

Proposed Tax Relief for Municipalities

Another matter which has been brought forward in the amendment is the sales and excise taxes. The manner in which these are levied provides certain queer anomalies. Some have been referred to already, and I will be the first to admit that others have been extinguished. But it is not so long ago that a fire engine purchased by the city of London bore full sales and excise taxes; yet its first duty was to fight a fire at Wolseley barracks, upon which the federal government pays no real estate tax to the city.

In so far as these sales and excise taxes are concerned, once again I take the city of London as an example. I am informed that the amount paid, and I would assume this was in the year 1955, was $150,000. There again, Mr. Speaker, I must point out that the members of the city council of the city of London are not conspicuous by their conservatism, but on the 24th of May, 1955, they passed a resolution which I propose to read:

That, whereas this municipality contributes in sales tax, annually, an amount totalling approximately $150,000, which is equivalent to one mill in the municipal tax rate;

And whereas it is considered inequitable that the municipality should be required to raise moneys through taxation in order to pay them out again to a senior government in the form of sales tax;

And whereas this problem has been drawn to the attention of the dominion government on many occasions and, notwithstanding assurances that the submissions of this and other municipalities would be studied during the preparation of the annual budget of the dominion government, no action has been taken to afford relief to the municipalities of Canada by way of exemption from sales tax;

Therefore be it resolved that the city of London again place itself firmly on record in favour of early action by the dominion government to exempt municipal purchases from sales tax; and that the major cities of Canada, together with the Canadian Federation of Mayors and Municipalities and the local members of parliament be requested to support this resolution.

We have now heard, Mr. Speaker, from the federation of mayors and we have heard from the local levels. Surely it is time the minister took this problem to heart and stopped brushing it off. The minister among others has said that the municipalities are the creatures of the provincial governments. I may say, and I think with fairness, that the minister has been hiding behind that cliche for much too long, and at the same time has been increasing taxes and putting a squeeze in a two-way fashion on the municipalities. I suggest to him that it is time we tackled the problem realistically and put an end to it before the expansion which is going on so rapidly now makes the situation much worse.

The minister said this afternoon that it had been a principle ever since confederation not to tax the crown. In that statement he admits that the crown may be in the right of the dominion or in the right of the province.

[Mr. Mitchell (London).]

I simply point out to the minister, and with apologies to some of our smaller provinces for whom I have every sympathy, that today many of our municipal governments are bigger operations than some of the provincial governments. If it is true that sales and excise taxes should not be levied against the provinces, it is equally true that they should not be levied against municipalities which at the present moment are undertaking the local government of considerably more people than the smaller provinces.

So, Mr. Speaker, I suggest that the government had better consider getting out of this tax field. Despite the minister's statement to the contrary, I suggest that they are getting further into the tax field because by their methods of taxation they have rendered the municipalities impotent as far as raising the required amount of money in the normal course by real estate taxation is concerned. The amount of the grants which they love to make—and, as I mentioned before, the Minister of National Health and Welfare is one of the prime exponents—plus the economies which could be made by permitting the spender to be the taxer, would go a long way to make up to the federal government the loss in revenue which would result from withdrawal from the sales and excise tax field so far as municipalities are concerned, and through payment of the full taxation equivalent on real estate.

Mr. O. L. Jones (Okanagan Boundary): Mr. Speaker, this afternoon I was both surprised and pleased in listening to the Leader of the Opposition speak on the need of help for the municipalities. I was surprised and pleased because on April 12, as found at page 2865 of *Hansard*, you will find certain remarks of mine which are practically word for word the same as the Leader of the Opposition had to say today. They follow the same theme and the same arguments pretty well. Naturally I was pleased to find that someone else had taken up the cudgels.

I do not intend to repeat what I said on that occasion. As I have just mentioned, my remarks were substantially the same as those of the Leader of the Opposition today. Therefore it naturally gives me a great deal of pleasure to support the amendment.

Mr. Fulton: We all know a good thing when we see it.

Mr. Jones: Thanks. It deals with the most pressing and difficult problem facing the municipalities, the junior members of our governing bodies, that of raising revenue without further direct imposition on the hard-pressed municipal taxpayer. That is the problem.

As the Leader of the Opposition pointed out, the cost of education is a most onerous burden. As I pointed out in my previous speech, this could be relieved by a per capita grant to the various school districts. I do not think aid in this way should offend the provincial governments, who are very jealous of their provincial rights. I would simply point out that the municipalities also have certain rights, one of them being a return of part of the taxes collected by the federal government within municipal limits for municipal use to assist in meeting the cost of education, which I can frankly say is getting worse and worse each year in Canada. Before we have perfection in the field of education the problem will be still more intense. Therefore the federal government should step in now before we are in too deep and it is too late.

I would also remind the minister that I mentioned the sales tax in my previous talk. I am convinced that this tax is very unfair. It puts a heavy burden on the municipalities, and their purchases should immediately be placed on the same basis as purchases made by provincial governments. Municipalities should be treated as another form of government, because in fact they are. Therefore they should receive the same treatment as the second level of government, the provincial. I hope the minister will give consideration to this matter because I know he has been appealed to by different municipalities and organizations representing the regional municipalities.

Another thing I bring up again, and I have raised the question every year for the last eight years, is the reopening of the municipal assistance act with its provision for 2 per cent money. I know that pressure has been brought to bear on the minister by different groups and by provincial governments. As I understand it, there are two pressure groups. One represents the taxpayers in demanding the reopening of the act and access to 2 per cent money. The other pressure group represents those who are presumably interested in government bonds, the banks and financial houses, who are not anxious to see the act reopened because it enters into a field in which they claim the sole right to operate.

I would disregard those views entirely. I think it is time the government had a policy of its own regarding financing, and not a policy dictated by the Canadian banks. Under this legislation the government did have a policy of lending money at 2 per cent for self-liquidating projects. That was an excellent financial scheme. It was excellent in the results it obtained and excellent in the investment it turned out to be, because every penny was paid back to the government including the interest. With such a fine record of operation I cannot understand the hesitation of the Minister of Finance in reopening this excellent means of assisting the municipalities in their present plight.

I would also remind him that the high record under that act was made during a time when we had a depression in Canada. All the municipalities that borrowed money, or practically all of them, were in a depressed state. They were poor risks. They could not borrow from the orthodox financial houses. But, poor risks as some of them were —and I know some of them—they were able to borrow at 2 per cent; and even those poor risks, the very poorest of risks, have all paid back in full. They were able to do that because the burden of 2 per cent did not cripple them entirely.

I think the new town planning proposed by the government and the health schemes to clear up slum areas and all that call for a great deal more in the way of expenditures by the municipalities for new facilities. I find that most of them are experiencing difficulty in raising the money at a rate that will allow them to give the services at a price the people can pay. The other day I referred to Summerland which had this very problem.

Many cities are in the some unfortunate position, even Ottawa. When they are obliged to run services miles outside their limits into new areas, it is far more costly than it is to extend them within the tightly-packed limits of the town. Those are problems facing every municipality in Canada. The municipalities should be assisted by getting 2 per cent money for these very things, namely to extend sewerage, water services, sidewalks and roads to these areas that the government itself is helping to build up through assistance under the National Housing Act. Hence they have a responsibility if they are to succeed in getting what they hope to get, namely a better form of homes for the people of Canada, in better conditions and better surroundings.

I would also again urge the government to pay taxes on all federal properties and just to forget the formula. It is time it was forgotten. I would urge the government to pay taxes to the 89 per cent of the municipalities now getting nothing in the form of taxes on federal property. I refer particularly to post offices. Every one of them in my riding shows a profit. They are a very profitable undertaking. There are some businesses in my riding that do not show a profit, but they pay licence fees to the municipalities in order to carry on business. However, the

post office does not pay for a licence. It does not give a hoot. It does not pay tax. It does not pay anything. It just takes the profits and sends them to Ottawa. I think it is time some of these profits were paid out either in the form of taxes or licence fees or both; probably the foremost would be the fairest way to do it.

Another federal building is the armoury. I am not saying it should not be there; I am all for it; we have them in every town in Canada, where reserve army men are trained within city limits. They usually have several lots on which no taxes at all are paid. The presence of those armouries in a city causes a hardship on the city. In Kelowna, Vernon and Penticton the troops have not sufficient grounds belonging to the federal government on which to train, so they are trained on the municipal streets. They take up the sidewalks and they take up the roads, and traffic must be governed accordingly. But the government pay nothing for it. They never ask the city whether they can make use of the streets. They just take possession of them as though they belonged to them.

This unit to which I refer happens to be a unit with tanks, jeeps, heavy trucks and guns. All these are dragged over the city's paved streets without a by your leave, or without rectifying any damage done to the streets. Throughout the whole of British Columbia that has been the general complaint during the war years, namely the damage done by army vehicles. They do not object to it provided the government pay a fair share of the costs of rectifying the damage done by these vehicles to municipal streets, or pay their fair share of taxes as they should on the armouries.

I am not quite sure of the exact figure, but I believe that during the last 10 years the revenue of the federal government derived from municipal limits—that is, from the taxpayers and from industries, in duties collected and taxes paid—have risen by about 1,000 per cent. That is a tremendous increase. One would think the government would feel some responsibility to return some of that revenue. But while the revenue of the federal government obtained from the municipalities increased 1,000 per cent, the contribution of the federal government to the municipalities remains the same now as it was 10 years ago, namely nothing at all. I think that is a shame.

Mr. Harris: I hope my hon. friend will permit me to ask him this question. Surely he is not suggesting that the revenue derived from taxes on municipal corporations has increased 1,000 per cent in 10 years?

Mr. Jones: No. I am referring to the total amount of money collected from corporations, from industry, from individuals and all who live within the municipal limits.

Mr. Harris: The income of the government of Canada in 1946, as I recall it, would not be much more than 10 per cent or 15 per cent less than it is now; perhaps 20 per cent or 25 per cent.

Mr. Jones: I do not think the minister understood me correctly. I mean that the total income of the government is now coming more from the organized units of the municipalities than it ever did before. It is concentrated through industry.

Mr. Harris: Our tax base now is practically the same as it was 10 years ago.

Mr. Jones: But your revenue is not the same. It is your revenue that is different.

Mr. Harris: Our revenue now is about $4 billion. I will not interrupt my hon. friend again, but I am sure it was not much less than that in 1945 and 1946.

Mr. Macdonnell: On a question of privilege may I make an interruption? I am confident that the minister's predecessor in 1945, 1946 or thereabouts referred to his take or income as $2,400 million.

Mr. Jones: The tax is not ten times as much. Probably the minister misunderstood me.

Mr. Harris: That is all right.

Mr. Jones: But the collection of moneys by the federal government from municipal limits is ten times as much. That is the figure I tried to give. I am sorry if I misled the minister. In return the contribution of the government to the municipalities is the same as it ever was, namely nil.

If we are to have a progressive and beautiful city as the town planners predict and as the citizens would welcome, I think the federal government must face their responsibility in a practical way, shoulder their rightful burden of taxation, contribute their share toward the cost of services, and abolish the present formula. In order to find an illustration of the difficulties faced by municipalities I think you have only to go to your own town of Ottawa, where they apparently have not sufficient money to build decent roads. I have not travelled over such bad roads in many years as those you find today in Ottawa. I feel that some assistance should be given to the city in order that it may provide decent roads for its citizens.

I also think we are afraid of suggesting anything by means of which the municipalities could break new ground by way of getting revenue. I am going to make one suggestion, however. I made it many years ago to the municipalities of British Columbia,

and I make it again. It seems to me that the municipalities have a right—and these are personal views, not party views—to at least 10 per cent of all fire insurance premiums. Municipalities are called upon to provide expensive fire protection and to perform duties in connection with the elimination of fire hazards and all that kind of thing, at tremendous cost. The only people to benefit are the insurance companies, whose premiums are thereby strengthened. It seems to me that every insurance company should return to the municipality at least 10 per cent of the premium on every policy for this service. I do not know whether or not that is feasible, but it has always appeared to me to be unfair to ask the people in the municipalities to pay a high rate on fire insurance premiums and then have these companies demand that the municipalities provide the fire protection.

Mr. W. G. Dinsdale (Brandon-Souris): I was interested, Mr. Speaker, in the opening observations of the previous speaker, the hon. member for Okanagan Boundary. He suggested that the amendment we have before us was very much the same as material he had presented to the house on an earlier occasion. I believe that only tends to underline the fact that we are facing a real problem, one of the basic problems in Canada, in this matter of municipal tax resources and municipal services.

Ever since I came to this chamber one of the subjects that has been aired repeatedly has been the increasing difficulties that municipalities have in facing their responsibilites in the changing Canadian economy. The problem can be stated very simply, but while the problem can be stated simply unfortunately there is no easy solution. I do feel, however, that it is a difficulty that demands the immediate and earnest attention of government at the federal level. Municipal governments, of course, are very much smaller in their geographic areas and very much restricted when compared with provincial and federal governments. It is for this reason I think we sometimes fail to appreciate the relative importance of the three levels of government.

While it is true that municipal governments seem to be restricted in their authority and the number of people concerned is not too great, I should like to suggest that they are dealing with issues that are of the greatest importance to this country. While as individual units they are small, we must remember that in terms of the over-all national picture we have some 4,000 municipalities and municipal councils; and again thinking of that other important local government body, the school board, I suppose we have three times as many school boards as we have municipal councils.

We must not be twisted in our thinking regarding the importance of municipal governments. It has been said today, as it has been many times, that a nation is only as strong as the local level of government. I think it was de Toqueville who said that a nation may establish a system of free government, but without municipal institutions it cannot have the spirit of liberty. It has become a truism to conclude that the real source of democratic government, the real source of liberty, arises on the level of local government. Unless we have a thriving, vital, active local government, we are not going to have a vital democratic government either at provincial or federal levels.

One of the problems of local government today is the great apathy toward responsibility at this level on the part of the individual citizen. Year after year when we come to the time of local elections we are faced with a situation in which it is very difficult to inspire any enthusiasm for the issues at stake. This lack of enthusiasm, this apathy, is indicated by the reluctance of citizens to allow their names to stand for local office. While we sometimes decry the lack of interest in federal elections as represented by the relatively small turnout of voters, certainly the record for both federal and provincial elections is away ahead of the record for local elections. It is not the exception to discover that in municipal elections we have as small a percentage as 35 per cent of the electorate turning out to support a panel of candidates.

This apathy on the local level, I suggest, does not augur very well for the continuing survival of a vital democracy at the higher levels of government. I would further suggest that one of the reasons—there are several reasons—for this failure on the part of citizens to present themselves for service on the local level is the difficult situation confronting municipalities in the changing economic circumstances of the country. The municipality is burdened with services far beyond its capacity to cope with adequately. Anyone who has had any service on the local level of government will realize that life can be one series of problems that are unsolvable; of irate taxpayers waiting on the doorstep and constantly trying to get action; of the local councillor or mayor being only too willing to act but prevented from doing so because of inadequate financial resources. It is a problem that has to be faced. It is a problem that, while the solution is not easy, certainly a nation such as Canada should endeavour to deal with directly and as quickly as possible.

Proposed Tax Relief for Municipalities

As these discussions have illustrated, the federal government attempts to cast off responsibility for the difficulties by referring back to the responsibilities of the provincial government. Unfortunately, in most of the difficulties facing Canada at the moment this tendency for buck-passing has become the chief technique of dealing with problems. The dominion government refers back to the provincial government. If you go to the provincial government they, in turn, say, "Sorry, it is not our responsibility. The federal government will have to deal with this matter." Somebody has to take responsibility for the tax situation that has developed in Canada, particularly since world war II. Certainly the federal government has to take the major responsibility in this regard.

The federal government has moved into the available tax areas to a rapidly expanding extent in recent years. For example, the statistics for 1952 show that the federal government collected $3,792 million; the provincial governments collected $918 million; and the municipal governments, $636 million. The tendency toward centralization of responsibility, largely resulting from the demands of war, is the reason for the pattern indicated by those statistics. Yet notwithstanding those trends the service responsibilities of municipalities have remained largely unchanged; in fact, they have expanded very rapidly in recent years.

It is a well-known fact that those service responsibilities involve the types of government service that have become most expensive in our modern twentieth century civilization; education, health and welfare matters, roads and similar responsibilities. Here again the federal government hides behind the constitutional problem. Admittedly the control of these matters of education, health and welfare and roads has to remain largely in the hands of the local levels of government. That is particularly true of the matter of education, because local control must rest with the municipal governments. The federal government hides behind those constitutional difficulties and professes that nothing can be done by way of sharing responsibility for the increasing financial load.

We have before us an amendment which does not profess to solve the whole difficulty, but it certainly is a gesture in the right direction. Perhaps that is the way we have to move; perhaps this difficulty cannot be solved in one magic wave of the wand. It is a matter of gradual adjustment, a matter of changing circumstances. We have the suggestion that the privileges of exemption from excise and sales taxes might be passed along

to the municipal governments, the same privilege that is also extended to the other level of government, and also the other solution that has been placed before the house.

A few moments ago, Mr. Speaker, I mentioned that the demands in the service areas of education, health and welfare and roads had to remain within the control of local governments, and also that these service demands were expanding very rapidly. The irony of the situation is that the principal reason for the rapid expansion in those service areas has resulted from the actions of the top levels of government provincially, but especially the federal level of government. As Canada moves toward nationhood, as we move into the industrial revolution of the twentieth century, as we move toward a more complex kind of life, the educational facilities, the health and welfare program have to be expanded far beyond the wildest imagination of the founding fathers.

These pressures, as I have indicated, come from the highest level of government, namely the federal government. Today education is a national responsibility. At the time of confederation the financial responsibility for education could be left safely to local levels because it was a matter of reading, writing and arithmetic so the citizenry of a democracy might be able to meet the ordinary demands of communication; but today education has become a terrifically complex and expensive proposition. The matter of national survival is intimately tied up with the kind of educational program we carry on in Canada today. The servicemen serving in the defence of Canada require a relatively high level of general education as well as technical education if Canada is to meet the challenges from any potential aggressor.

In recent days we have heard rather ominous observations to the effect that other nations are away ahead of us in the development of technical skills that would prepare the youth of those nations to play their adequate role in a technological civilization. That is a national responsibility. Certainly it has not very much to do with the local responsibilities which were envisaged at the time education was originally placed in the hands of local government. Then there is the matter of providing education for our new citizens, the immigrants to Canada, which in the post-war years has presented quite a problem to certain communities in which the new Canadians have tended to concentrate. Again this lies within the area of federal responsibility. We are faced with this problem, and maybe there is no absolute solution of it. Education has today moved toward a national perspective, while at the same time

we have to preserve the local responsibilities and the provincial responsibilities under the British North America Act.

I could go on and deal in detail with certain other areas of service responsibilities that fall upon the local levels of government. For example, there is this matter of flooding that we hear about these days, particularly in reference to the perennial difficulties that we have in the province of Manitoba. I attended a meeting of farmers just a couple of weeks ago, a group of farmers and representatives of local municipalities, who have banded themselves together in a voluntary association of municipalities to see whether they cannot come to grips with the question of who is responsible for the control of flood conditions and for looking after the compensation when floods occur.

There the problem was to try to pinpoint where the financial responsibility lay. Provincial authorities say it is with the federal government. Federal authorities say they cannot do anything unless provincial authorities take the initiative. We had another interpretation at this rally, to the effect that if action is required by way of flood control it will be necessary for the local municipalities to approach the authorities and present their case in clear-cut terms. Well, that was a new interpretation, but at least it tended to pinpoint the situation so that some concrete action might be taken.

I listened to the Prime Minister's remarks on this matter when the house opened today, and it seemed to me he was suggesting that this problem of control had become an annual difficulty and that some over-all conservation measures, flood control measures, were urgently required. If we need an over-all conservation program I think it is obvious that the municipal and provincial governments cannot be made responsible for it. It seems to me that the federal government must take the initiative for the general well-being of Canada, and must deal with matters pertaining to water and soil conservation and the growing problem of flooding which arises from those two difficulties.

Since the depression years of the thirties there has been an attempt to shift the rather heavy financial responsibility concerning health and welfare matters to the higher levels of government. For example, the local municipalities no longer have any financial responsibility for providing old age pensions. There is a movement in a more reasonable direction in the light of prevailing conditions in regard to welfare matters. Despite this fact, with the growing pressure from the senior levels of government the municipalities have found themselves confronted with an increasing load for casual or transient relief, a financial burden which cannot be handled today with the limited resources of the municipal governments.

A concrete example of the increasing demand for services that has largely arisen from the growing intervention by the federal level of government in health and welfare matters is the disability pension that was approved by this house only two years ago. As you examine the statistics the picture becomes clear. I do not have the figures across the country at my fingertips, unfortunately, but in the province of Manitoba approximately 200 disability pensions have been approved since the bill was first passed. The passing of the legislation has drawn attention to the fact that such a pension is available and people who formerly got along financially as best they could following disability have applied to the local welfare authorities by the dozens, only to discover that the definition of disability is so narrow that very few can actually qualify. You have to be totally and permanently disabled in order to qualify for the pension, and the words "totally and permanently" are rigidly interpreted by the examining board.

When the local welfare service becomes aware of the problems of people who are living in extremely difficult circumstances they are forced to take some financial responsibility for them. It has been especially difficult in the case of mentally retarded people; people under the mental age of seven, for example, who have been sheltered within the family unit, and have reached maturity without achieving a mental capacity which permits them to cope with the problems of life. I do not think anyone can deny that an adult with a mental age under seven is totally and permanently disabled so far as being an adequately functioning social individual is concerned. When these problems come to the attention of the municipalities they have to assume responsibility, and the pressure has come from action on the part of the senior levels of government.

These matters are well known to all municipal officials, and of course they have been presented in this house on a great many occasions in the past. There is no need to re-emphasize them at great length tonight.

In winding up this particular part of my observations I would like to suggest that one of the curses on municipal finances has been this technique of matching grants, under which the federal government says, "We will give you such and such a service if you will agree to equal the amount, or accept a sizeable portion of the financial responsibility." Most

of the measures arising at the federal level now are presented to both the provinces and the municipalities on the basis of this matching grant technique until the municipalities are not in a position to do any more matching. They have exhausted all their financial resources and have overextended themselves. Sometimes the federal government is surprised when the municipalities appear to look a gift horse in the mouth and will not accept the prizes in the form of the various services which are dangled at the end of the federal government's fish pole.

The matching grant system is certainly not an unmixed blessing. I think that technique lost its usefulness long ago. The municipalities have reached the end of their financial resources and some other solution will have to be found. The most obvious solution, of course, is to have a comprehensive transferring of service responsibility, but we come back to the inevitable conclusion that constitutionally much of this transferring of services is prohibited under our British North America Act. As I said earlier in my remarks tonight, this certainly applies to education.

There are two specific areas in municipal finances that provide some leeway for shifting financial responsibility. The authorities on municipal financing point this out in all the briefs they prepare on the subject. They point out there are services to persons and services to property, and inasmuch as the local tax revenue derives largely from property on real taxes by definition—

Mr. Knowles: Taxes on real property.

Mr. Dinsdale: Well, I guess that is a real tax. Inasmuch as the municipalities derive their tax revenues from that source, they should only be responsible for property services if we are going to be consistent. Such services would include police and fire protection, sidewalks, roads and so forth. If their service responsibilities were limited to that relatively narrow field no doubt the municipalities could cope with the situation. It is when they get into the matter of services for persons that they spill over into the national level of responsibility, and I refer to education, recreation, welfare and so forth. They then find themselves in difficulty. Either we have to have a transfer of services, which will require a great deal of thought and consideration and deliberation on the part of all concerned, or some other solution will have to be found.

We certainly have enough evidence before us in the briefs which have been filed. Most provincial governments right across the country have made exhaustive analyses of this difficulty. The evidence is there; it is just a question of the federal government taking responsibility for initiating some positive action to meet this important problem.

Other solutions have been put forward in limited terms in the resolution we have before us, and I refer to the finding of some new tax resources or some new tax techniques which will ease the burden of the local levels of government. Here the possibilities are limited, but we have two simple solutions which have been presented to the house and I am quite happy to support them.

I should like to relate one personal experience in regard to the excise and sales tax situation. Like all municipalities the city of Brandon in recent years has been engaged in extensive public works in the form of the paving of roads, the building of sidewalks and so forth. They had to invest rather heavily in the necessary equipment to carry out this particular work. They obtained the latest type of equipment for the construction of sidewalks and curbs, and were under the impression that as the expenditure was more than $1,000 it would be free from excise and sales taxes. However, they were told that the $1,000 must be considered on a unit basis. The equipment necessary for this particular job did not contain any one unit which involved an expenditure of $1,000. We argued backward and forward with the revenue department for some time, but finally lost because of a regulation which seemed fairly difficult to understand.

The problem which the municipalities are facing may not seem large when measured against the abundant wealth in taxes possessed by the federal government, but when it is measured against the limited revenue of the local government it is large indeed. The total budget for the current year for the city of Brandon is slightly over $1 million. We have the famous phrase, "What is a million dollars?" but the fact is that that is a lot of money to a local municipality. We ran into the same problem in the construction and equipping of a home for senior citizens. There was some technicality which ruled out the remission of the sales and excise taxes because the application had not been made before a particular date.

These may be small things when compared with the total problem represented by the amendment we have before us. As I have indicated, perhaps we will have to move toward the main solution by a series of short steps rather than one panacea which will solve all our difficulties in one stroke.

To bring my remarks to a conclusion, let me say that this problem is felt particularly severely by the rural municipalities. I do not think anyone has spoken today on behalf of

those municipalities. We think of great metropolitan areas like Toronto and Montreal having financial restrictions because of their broad service responsibilities, but in some respects they are better off than the local rural municipalities. The local rural municipality has absolutely no other tax revenue than the tax on real property.

I do not have to draw a diagram in order to point out that our rural municipalities, particularly in western Canada, are not in a very healthy condition. They are financially unsound; they are socially unsound; they are economically unsound. The continuing drift from rural to urban areas has deprived the rural community, which carries an important responsibility in keeping culture and liberty alive, of considerable financial resources. These difficulties represent one of the major problems facing Canada at the present time. I urge the federal government, which does have responsibility in these matters, to give attention to this one.

Mr. Harris: Mr. Speaker, I rise on a question of privilege. A short time ago while the hon. member for Okanagan Boundary was speaking I referred to the budgetary expenses of some ten years ago. As a result of remarks made by the hon. member for Greenwood I looked them up, and I find that the actual income of ten years ago was between $2,700,000,000 and $2,800,000,000. Even with the most generous use of my statement that they could not be more than 25 per cent less than they are now, I find I am out by about $300,000,000.

On motion of Mr. Van Horne the debate was adjourned.

ADMINISTRATION OF JUSTICE

STATEMENT ON REPORT OF FAUTEUX COMMISSION

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, with the permission of the house I should like to revert to motions.

Mr. Speaker: Has the hon. minister the consent of the house to revert to motions at this time?

Some hon. Members: Agreed.

Mr. Garson: This is the first opportunity I have had since 4.30 this afternoon to announce that at that time in my office in the building here Mr. Justice Fauteux delivered to me in person one copy in English of the report of the committee appointed on December 11, 1953, to inquire into the principles and procedures followed in the remission service of the Department of Justice. The translation of this report into French and its printing is already in hand, and the report will be tabled in parliament as soon as that printing and translation are completed.

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

Question

ANSWER TO QUESTION

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

WHEAT BOARD—INSTRUCTIONS TO ELEVATORS

Question No. 395—**Mr. Diefenbaker:**

1. Has the wheat board given instructions to elevator companies on the prairies that their agents are not to buy wheat produced in the year 1954 or prior thereto?
2. If so, why were such instructions given?
3. Do private elevator companies refuse to accept deliveries of wheat produced in the above-mentioned year, or prior thereto?
4. If so, on what authority?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. No.
2. See answer to No. 1 above.
3. The receipt of grain into country elevators is subject to the provisions of the Canada Grain Act, which does not distinguish between grain produced in one year and that produced in any other year. Producers' deliveries are, of course, subject to delivery quotas as established from time to time by the Canadian wheat board.
4. See answer to No. 3 above.

HOUSE OF COMMONS

Tuesday, May 1, 1956

The house met at 2.30 p.m.

FLOODS

MANITOBA—SURPLUS MONEY COLLECTED FOR RELIEF PURPOSES IN 1950

On the orders of the day:

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, yesterday the hon. member for Peterborough (Mr. Fraser) asked what had happened to the surplus money which had been collected for relief purposes following the heavy floods in Manitoba in 1950. We all, of course, recall that a corporation had been set up by our parliament in 1953. The hon. member also wanted to know if this surplus could be used for relief purposes at this time.

In 1953, when the Canadian Disaster Relief Fund Corporation was set up by act of parliament, the surplus amounted to approximately a little less than $1½ million. The legislation setting up the fund expressly provided that:

> The corporation may make payments out of the fund for the purpose of meeting emergencies and needs arising in Canada from flood, fire, tempest, earthquake, pestilence or other disaster, mitigating loss and suffering caused thereby assisting in repairing damages resulting therefrom, and rehabilitating persons who have suffered injury or loss by reason thereof, when in the opinion of the corporation the implementing of such purposes is beyond the reasonable capacity of the area affected.

As of December 31, 1955, the balance of the fund was $1,337,310.83.

HOUSE OF COMMONS

METHOD OF PROMOTION IN PROTECTIVE SERVICE

On the orders of the day:

Hon. Hugues Lapointe (Minister of Veterans Affairs): On Friday last the hon. member for Royal asked me certain questions concerning promotions and seniority in the protective staff of the House of Commons. I have ascertained since through inquiries I made that the information I gave the house at that time was correct.

IMMIGRATION

PROCEDURE TO BE ADOPTED FOLLOWING COURT DECISION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Citizenship and Immigration whether the department has concluded its consideration of the situation which arose as a result of the decision of the Supreme Court of Canada in the Brent case? If so, is the minister in a position to say whether any legislative changes will be introduced or whether it will be confined to administrative changes?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The department is still giving consideration to the effect of the decision of the supreme court in the Brent case on the state of the law. As soon as any conclusion is reached that may be embodied in any regulations, a copy of the regulations will be tabled immediately.

DEFENCE PRODUCTION

GUIDED MISSILES—INQUIRY AS TO ELECTRONICS CONTRACT

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to address a question to the Minister of Defence Production. In view of the article which appeared in the current issue of the *Financial Post* with reference to guided missile contracts, can the minister make any statement to this house with reference to any decision, if one has been reached, or give any other information concerning the electronics contract in connection with this missile?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, no final decision has been reached by the defence department as yet as to the particular guided missile that will be manufactured. Certain exploratory efforts have been undertaken in connection with two different missiles, but no decision can be made about any component of either missile until a final decision is received from the Department of National Defence.

Mrs. Fairclough: Can the minister give the assurance that no commitment has been made to the Bendix-Eclipse Company?

Mr. Howe (Port Arthur): I should like to correct a suggestion contained in the *Financial Post* article that I was pressing for a contract with the Bendix company. The opposite is the case. It happens that the Bendix company is the developing contractor for a particular electronics component of one particular missile, and my efforts have been directed toward getting a clean right to manufacture

that particular component in any way that Canada might decide. I am happy to say that has now been arranged.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO RENEWAL OF AGREEMENT

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): In view of the fact that the agreement between the government and Trans-Canada Pipe Lines ceased to be effective yesterday, would the Prime Minister tell the house if a new agreement has been made and, if so, what it is?

Right Hon. L. S. St. Laurent (Prime Minister): There was an agreement extending the date from May 1, 1956, to November 1, 1956, and I understand that was tabled the other day. There has been no other agreement but that one.

Mr. Green: Is that agreement between the government and Trans-Canada Pipe Lines?

Mr. St. Laurent (Quebec East): Yes, sir.

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask a question supplementary to the one asked by the hon. member for Dufferin-Simcoe. Will the Prime Minister say whether or not there is any basis for the allegation in the press that the government is to advance or lend to Trans-Canada Pipe Lines some $70 million or more; and, second, upon what constitutional basis can such an arrangement be made without legislative authority of parliament?

Mr. St. Laurent (Quebec East): No such arrangement could be made without legislative authority of parliament, and when there is anything of substance it will be communicated to parliament instead of parliament being apprized of it through the press.

Mr. Diefenbaker: That is a welcome announcement. May I ask the Prime Minister this. Is there any foundation for the statement which emanated from an authority in the government, according to the Canadian Press?

Mr. St. Laurent (Quebec East): Mr. Speaker, the government will welcome as much as the hon. gentleman or any member of parliament the freedom to make its own announcements to parliament instead of having them made in that speculative way.

Mr. Rowe: This is a supplementary question. The report in the paper is not true, or is it?

[Mr. Howe (Port Arthur).]

Mr. St. Laurent (Quebec East): I am not going to say anything one way or the other to encourage such speculation in the newspapers.

Mr. Diefenbaker: That is the usual report to parliament.

Mr. Knowles: Mr. Speaker, may I ask a supplementary question. If the government is going as far as is suggested in the Canadian Press dispatch, why not go a step farther and build the line under public ownership?

Mr. St. Laurent (Quebec East): These hypothetical questions are based on newspaper speculation. When there is anything firmer for them to be based upon, answers will be given to the questions asked in parliament.

Mr. Green: Mr. Speaker—

Mr. Speaker: Order. May I intervene at this moment just to say that we have had about four questions on this newspaper report, and there are 264 members besides myself.

Mr. Green: Your Honour, my question has nothing to do with the newspaper report. Arising out of the first answer the Prime Minister gave concerning an agreement extending the time, may I ask whether there has been any agreement between the dominion government and the government of Ontario with regard to that extension or, if no agreement, has there been any undertaking given between the two governments?

Mr. St. Laurent (Quebec East): Mr. Speaker, I have had no communication with any of the members of the Ontario government, but I have been informed that there have been communications between the Minister of Trade and Commerce and members of the Ontario government.

Mr. Fulton: To what effect?

Mr. Green: Has the Ontario government also granted an extension?

Mr. St. Laurent (Quebec East): Mr. Speaker, I would not like to make commitments in the House of Commons as to the future conduct of the government of Ontario.

Mr. Green: I asked the Prime Minister whether there had been any agreement reached or any undertaking given; not what was to be done in the future but whether or not it has already been done?

Mr. St. Laurent (Quebec East): I told the hon. gentleman that I have had no communication from any member of the Ontario government.

Mr. Green: The Prime Minister said the Minister of Trade and Commerce had had communication. Perhaps the minister can answer the question?

Mr. Howe (Port Arthur): Mr. Speaker, I discussed the matter with both Mr. Frost and Mr. Porter. Mr. Porter made a public statement which was quoted over the radio this morning and which I took to be his view. My view is that when we have something definite to suggest to the province of Ontario we will write to them. That has been agreed. They will reply and as soon as the reply is received the correspondence will be tabled here in the House of Commons.

NATIONAL DEFENCE

UNIVERSITY ARMOURIES, TORONTO—NEGOTIATIONS FOR SALE

On the orders of the day:

Mr. Roland Michener (St. Paul's): Mr. Speaker, may I direct a question to the Minister of National Defence. Is it correct that tenders have been called for a 20-year bonded roof for the university armouries in Toronto and, if so, does that mean the government has put aside any consideration of the possible sale of that property to the city or the metropolitan municipality?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I am very glad to have an opportunity to answer this question, the substance of which I noticed was the subject of some misrepresentation editorially in one of the Toronto newspapers.

The facts are that negotiations are still in progress with respect to the possibility of the armoury site being acquired by the metropolitan commission. The fact also is that for a number of years past we have been repairing each year a portion of the roof of the armouries, because we must keep the building watertight. The contract called for this year covers the last part of this rejuvenation. Incidentally, it is a small contract.

If our negotiations with the metropolitan commission lead to a deal being made with regard to the site it will still be necessary for us to retain the armouries for probably two years until we get other facilities, so I can assure the house that the money that will be spent to complete this roofing job will be spent in accordance with the needs of the situation.

PRIVILEGE

MR. KNOWLES—REFERENCE TO REMARKS IN DEBATE ON APRIL 30

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is either a request for a correction in *Hansard* or a question of privilege. On page 3406 of yesterday's *Hansard,* at the foot of column 2, the Minister of Finance (Mr. Harris) is quoted as saying:

> For that reason I feel as firmly as the hon. member for Winnipeg North Centre (Mr. Knowles) does that this government ought to remain in office—

Some hon. Members: Hear, hear.

Mr. Knowles:

> —and for that reason I am going to vote against the amendment.

Mr. Speaker, I had said, "Hear, hear" to the minister's previous sentence, but that "hear, hear" is not included in the *Hansard* record. I can say to the Minister of Finance that if he is only as firm as I am in the opinion that the present government should remain in office, he had better get out of the Liberal party.

Hon. W. E. Harris (Minister of Finance): On the question of privilege, Mr. Speaker, I did make a statement, that was not read, to the effect that this was a want of confidence motion and would mean the downfall of the government, at which time I heard a "hear, hear" from the hon. member and I drew the proper conclusion myself.

Mr. Knowles: Wrong again.

DOMINION-PROVINCIAL RELATIONS

AGRICULTURE—REPRESENTATION AT RECENT MARKETING CONFERENCE

On the orders of the day:

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the hon. member for Brandon-Souris (Mr. Dinsdale) asked me a question yesterday which I took as notice and to which I now wish to give the answer. This is the question, Mr. Speaker:

> Can the minister give the names of the representatives of the farm organizations who took part in the agricultural marketing conference held in Ottawa on April 16, 17 and 18 and as referred to on page 2774 of *Hansard* of April 10, 1956?

I have the names of the members of that group, but I would like to make a correction in the question. The meeting was not a marketing conference meeting. The meeting on those three dates was a meeting of the advisory committee. The marketing conference met the following day, April 19. This committee is advisory to the minister and the agricultural prices support board. The chairman of the committee is Mr. H. H. Hannam, president of the Canadian Federation of Agriculture. In addition to Mr. Hannam there are as members the deputy ministers of agriculture of the ten provinces. I think all of them were present.

Inquiries of the Ministry

In addition to Mr. Hannam there are representatives of farm organizations who have been recommended by the farm organizations as members of that committee. The recommendation is made to me as minister and they are appointed by order in council. Most of them have been members of the committee for some time, and as one withdraws from the committee a new member is appointed in his place.

The first member of that group is Erle Kitchen, Ontario, secretary of the Dairy Farmers of Canada. The second member is W. J. Parker, Manitoba, president of the Manitoba wheat pool. Mr. Parker was not present during the three days of this meeting but he is usually present. Then there is Mr. H. B. Crandlemire, the maritimes, New Brunswick potato growers; Karl Kapler, Alberta, farmers' union of Alberta; R. B. Warnica, Ontario, Ontario beef cattle producers' association; George Wright, Saskatchewan, Saskatchewan federation of agriculture. Mr. Wright was not present this year. At the time he was recommended the farmers' union operated as a member of the Saskatchewan federation of agriculture and he was satisfactory to and recommended by both organizations as their representative on the committee. Then there is J. B. Lemoine, Quebec, Catholic farmers' union, and V. E. Ellison, British Columbia, British Columbia federation of agriculture.

That makes a committee of 19 members which we think is representative of the farm organizations right across Canada, even if there is not a representative on the committee from each of the many farm organizations. As a rule there are two or three recommended by the different organizations and the selections were made to cover as nearly as possible the livestock, agricultural, dairying and fruit growers' organizations.

FINANCE

BANK OF CANADA—RESULT OF INCREASE IN DISCOUNT RATE

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to direct a question to the Minister of Finance, and ask him whether or not the recent increase directed by the Bank of Canada to the chartered banks, a one-half per cent increase in interest, will apply to loans already made in connection with guaranteed loans on farm-stored wheat?

Hon. W. E. Harris (Minister of Finance): I think, Mr. Speaker, my hon. friend misapprehends the situation. The only change in the interest rate the Bank of Canada has effected lately has been an increase in the discount rate to their banks, the banks that do business with them. It had nothing to do with the interest being charged by the banks to borrowers.

Mr. Lennard: Oh, yes, it did.

Mr. Diefenbaker: That is not correct.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, may I address a supplementary question to the Minister of Finance. Does not the minister know that the chartered banks have advised their borrowers of an increase in interest rates?

Mr. Harris: Yes, Mr. Speaker. That was discussed in the house last week.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask a question arising out of the answer given to the hon. member for Prince Albert. Does the minister's answer mean that the discount rate charged by the Bank of Canada has no bearing or influence upon the interest rates charged by the banks to their borrowers?

Mr. Harris: I did not make that answer. My answer was that the Bank of Canada increased its rate. I think the question asked of me was what the Bank of Canada had done with respect to certain other rates over which they have no influence, except the results which might occur from an independent decision made by another body.

Mr. Fulton: And were intended to occur.

SUPPLY

The house resumed, from Monday, April 30, consideration of the motion of Mr. Harris for committee of supply, and the amendment thereto of Mr. Drew.

TAXATION—REQUEST FOR RELIEF FOR MUNICIPALITIES

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I am indeed pleased to have the opportunity to speak on this occasion in support of my leader's amendment demanding financial assistance for our municipalities. As this government pursues its wayward and merry and sinister course of greater and greater centralization of power, our municipalities have become more and more forgotten governing bodies in Canada. Yet their historic and traditional functions, honoured over the years, are well defined and have been well established in the history of this country. The duties of our municipal governing bodies increase from year to year,

but as these duties increase steadily and continually, bringing in their train ever-increasing financial burdens, the necessary finances to meet these burdens become harder and harder to obtain.

It is apparent for all to see, and we all know, that our municipal bodies—our counties, our cities, our towns, our villages, our local improvement districts, our school commissions—fulfil functions and duties of government which at the local level overshadow in importance many of the needs of those foreign nations which Canada has been anxious to gratify. In saying this I hasten to add, lest my Liberal friendly enemies on the other side of the hall should twist and turn my remarks, that I am in favour of proper foreign aid commensurate with Canada's responsibilities as a nation of the free world; but I believe the horse should go before the cart, and that charity begins at home, in one's own kitchen.

Our municipalities care for fundamental and basic needs; education, police, water, streets, sewerage, electric power, recreation, slum clearance and charity—a very important function of municipal governments today—to mention only a few. To my mind these needs and these functions must be fulfilled and met first, not last. These are basic, primary, fundamental needs which to an ever-increasing degree, the federal government is denying to our people because of its policy of refusing to assist adequately our municipal bodies.

I was astonished to note the figures tabled in the house recently by the Secretary of State for External Affairs regarding financial assistance for various projects which this government is giving outright to foreign countries; while it is in the same breath denying the very same kind of projects to our own people in New Brunswick, for instance; and to the people who live within the confines of our municipal governments. In the past very few years, Canada has given or lent—mostly given—$4,044,200,000 to foreign countries. Of this amount reconstruction loans totalled $1,767,200,000, and most of these loans are still outstanding. Military relief took up $105,200,000. United Nations agencies received $215,100,000. The Colombo plan got $162,300,000 outright, much of which was for the development of hydroelectric power. And this at a time when Canada's government refused a loan of $46 million to develop hydroelectric power at Beechwood, New Brunswick, a loan which my province would have fully repaid, for our people pay their way, with interest, with certainty and on the due dates. To international organizations outside the United Nations went $367,900,000 and to Canada's friends in NATO went $1,417,900,000.

Mr. Nesbitt: Don't forget the Prince of Liechtenstein.

Mr. Van Horne: Most of this money was in outright gifts. In the face of these facts, can there be a legitimate excuse by this government for its *de facto* policy of no help and no assistance to our municipal bodies? I was delighted to hear the Prime Minister the other day agree with me and all the other members on this side of the house in his admission that the government had, in effect, permitted the maritime provinces to become economically speaking and development-wise, the forgotten provinces of Canada.

Mr. Speaker, the government's confession should have included as well its neglect of our municipal bodies. I admire the spirit of contrition on the part of the government in their admission of guilt, for by logical implication the Prime Minister's statement was precisely an admission or confession of guilt for so misgoverning the affairs of this country that our Atlantic provinces flounder in the sea of Liberal indifference and neglect while the government sits, and has been sitting idly by on the fence, twiddling its thumbs.

The Prime Minister now asks for proposals and suggestions. I ask what happened to the proposals we made for Beechwood. I ask what assurance we have that our future proposals will not meet the same sorry fate that has been met by the proposals we have been making to this house and to this government for the past 20 years. Let us not lose sight of the forest for the trees. If the Prime Minister thinks he can sway a few stray votes in the coming election in New Brunswick by suggesting that proposals be made to the government, he and his government are mistaken. Since 1952 New Brunswick and the four Atlantic provinces have been making proposals, demands and suggestions—lifesaving proposals—basically required for the progress of New Brunswick and therefore of Canada as a whole, proposals backed by facts and figures, sound and solid.

What happened? Nothing happened. What happened to the proposals, suggestions and demands on behalf of our municipalities made by the premier of my province at the last interprovincial conference? What happened to the proposal for Beechwood? What happened to the proposal and demand to build the Chignecto canal? What happened to our proposal and demand that you quit killing us in the maritimes with your choking

freight rates? What happened to our proposal and demand for the Campbellton-Cross Point bridge?

Mr. Robichaud: Where were you last Friday?

Mr. Van Horne: What happened to our proposal that you pay the cost of the trans-Canada highway in New Brunswick? I ask this question: Whom is the government trying to fool when it asks for proposals? Since 1952 the government of my province has been making proposals; and scarcely a month goes by but that a proposal is made. But every time a proposal is made it meets the same sorry fate of indifference and neglect. Never have so many proposals been turned down so consistently by the same tired crew that runs this country.

I mention these facts to provide a background for my proposals in connection with financial assistance to our municipalities. Let no one ever try to tell this house that this government did not receive our proposals and suggestions. The government should tell the truth and say that it has been, is and will continue to be too lazy to put our proposals and suggestions into operation and to grant our legitimate rights and requests.

At the time of confederation the sources of taxation were limited almost entirely to taxes on real property. The municipalities obtained their fair share for the functions they had to accomplish and perform at that time. But today, nearly a century later, the real sources of taxation have been gathered unto the federal government, which has not given to the municipalities their fair share commensurate with their duties.

Municipalities are prevented, prohibited and stopped from fulfilling their functions and duties. Let me give you an example. Three hospitals in my riding of Restigouche-Madawaska are unable to collect 40 per cent of their accounts receivable. Forty per cent of all hospital accounts in my riding come from charity cases, and the legal responsibility for these bills must fall on the municipality. They readily admit and are willing to accept their legal responsibility, but in Restigouche county alone it would require the entire annual budget to take care of the charity cases connected with our hospital. Our municipalities simply cannot pay for these cases. So what happens? Our hospitals are faced with the problem and are obliged to shoulder the crushing burden of subsidizing the municipalities by hundreds of thousands of dollars per year, precisely because the federal government will not give adequate assistance to the municipalities.

Another proposal voiced from every corner of this house is that federal property located in the municipalities—the counties, cities, towns, villages, local improvement districts or, where these do not exist, within the borders of school districts—should be assessed and taxed. In the city of Edmundston and the town of Campbellton the tax rate and the tax burden are to a large extent determined and necessitated by the services required because of government property located within those two localities. In Campbellton the Canadian National Railways makes up a full third of the total valuation of the town, but not a cent in taxes is received to compensate for the services that are required because of this federal government property. Yet the services must be provided, including streets, police, water, sewers and education. Who pays? It is the hard-working small property owner who pays. Thus we are obliged to pay $700 in annual town taxes for an ordinary new house. Let the government property in the municipalities be taxed, and let the government pay its share.

Another proposal is this. Let this government make loans available to all municipalities at low interest rates. Interest rates in every municipality in the Atlantic provinces are high and represent an enormous factor in the taxes which property owners must pay. It is always the struggling property owner who gets it in the neck when it comes to municipal taxes. Let these loans be made available by adopting standard minimum requirements and by making them available for specific purposes in all municipalities.

Another proposal is to exempt municipalities from federal taxation. It is contrary to all the rules of law for any kind of government to be taxed. Remove this burden from our municipalities, and that alone would ease their difficulties and allow them to purchase their machinery and equipment without sales tax or other taxes.

Another proposal is to set up a system of effective grants for our municipalities. We merely demand that whatever, in the opinion of our municipalities, is materially desirable and possible should be made financially possible by the federal government so that the needs of our municipal bodies at all levels may be met. It is the sacred responsibility of the federal government to take the necessary steps to attain these ends. Good government is nothing more than the means to an end, and that end is fulfilling the needs and wants of our people. Today the means must be provided our municipal bodies to permit them to fulfil the functions which have been bestowed upon them by law and tradition over the years.

My counties of Madawaska and Restigouche represent a large section of the total area of

New Brunswick. At the moment in New Brunswick we have 6,000 people who should be getting invalids' pensions, yet only about 600 have succeeded in qualifying for them. This results from the fact that the government's definition of "invalid" is a person who is so close to death he cannot move. In our municipalities we have seen cases in which people with both legs off at the hips or with both arms severed have been unable to get an invalid's pension because they could still talk or because they could still see. I ask you, what do you want in order to qualify for invalid's pension? What happens is this. These people who cannot qualify for invalids' pension have to rely upon the municipalities for aid. The municipalities simply do not have the means to provide that aid. Here again we have an example of the federal government coming in, appropriating the credit for establishing invalids' pensions, yet doing almost nothing except creating chaos within the confines of our municipalities.

Mr. Martin: Why not talk about something you know something about?

Mr. Van Horne: This two-bit publicity seeker, the Minister of National Health and Welfare (Mr. Martin)—

Some hon. Members: Hear, hear.

Mr. Van Horne: —would do well to wipe this chipmunk smile from his photoflash-tanned face and sit down rather than talk about invalids' pensions. Look at the poor people in my riding who have to depend upon the municipalities, without any help at all from the federal government.

I should like to speak for a moment about schools. Don't let the Minister of National Health and Welfare tell us we do not know anything about invalids' pensions. If he only took the time to come down to my riding and look at some of the cases his regulations have forced officials to turn down; he would change his tune and his ideas.

Mr. Martin: May I ask my hon. friend a question? Is he not aware that the disabilities pension act is administered in every province by the provincial government in respect of regulations drawn up by all the provincial governments as well as the federal government? Has my hon. friend addressed himself in the same respectful way to the government of the province of New Brunswick?

Mr. Van Horne: Mr. Speaker, yes, I have; and the answer I was given was that the Minister of National Health and Welfare held the whip and the provinces had to agree.

Mr. Pearkes: Not another speech.

Some hon. Members: Sit down.

Mr. Martin: May I ask the hon. member who in the government of New Brunswick gave him that information, so I can check on its accuracy?

Mr. Nowlan: A confidential communication and not for publication.

Mr. Van Horne: I shall be very happy to do so. I should like to deal with schools for a few moments. We have been approached time and again by people from other provinces who point to the inability of our municipalities, and especially our school commissions, to deal adequately with the problem of education. What happens throughout the whole province of New Brunswick is this. We maintain an excellent system of education, but the minute our people are educated they are forced to leave our province to find a living elsewhere. The burden of education becomes heavier and heavier upon those who are left. Our municipalities have received the utmost in help from the governments both Liberal and Conservative, in the four Atlantic provinces to assist them in maintaining high standards of education and excellent buildings. However, the problem is beyond the capabilities of the municipalities even with the help they are receiving from the provinces. Tremendous strides have been made in the past few years in New Brunswick in connection with education, but the work that remains to be done falls, to a large extent, upon the shoulders of the municipalities who are unable to pay their share.

Let us remember that when it comes to poverty, disease, unemployment, those conditions do not ask to what party you belong before they strike. I can assure you that we in New Brunswick have known nothing but a state of full depression or semi-depression. Our municipalities have to bear the cost of unemployment as the result of a silly regulation in our unemployment insurance system by which people who have been out of work during the winter months are unable to obtain benefits. The Minister of Labour knows quite well that the last changes in the law worked to the detriment of the worker. Before the change a man could work 180 days in two years to qualify, and if he had days left over from the previous year he would be entitled to those days.

Mr. Gregg: Mr. Speaker—

Mr. Van Horne: Under the new regulations he can—

Mr. Gregg: May I interrupt my hon. friend? He called me as a witness in the course of his speech, and I just had to bear witness

to this. It is completely untrue that all sections of New Brunswick could be classified as depressed areas or as having depressed centres. I should like also to point out to my hon. friend that during the depression of the thirties the provincial government of New Brunswick did not, as did so many provinces, have to issue relief moneys to those who lived therein.

Mr. Van Horne: Don't forget that in the 1930's we had a good Conservative government. Quite apart from these jokes we make with each other, the Minister of Labour knows, I know, and we all know that there was real hardship in the 1930's in New Brunswick as in every other province in Canada.

Mr. Gregg: I agree.

Mr. Van Horne: There was no area where prosperity ran. There is more poverty today in northern New Brunswick than in any other part of Canada, and these facts can be well-established.

Mr. Robichaud: Flemming would not say that. Point that out to Flemming.

Mr. Van Horne: This puffed-up member for Gloucester can interject a few things in anybody else's speech, sit back there and laugh and ape. He should recognize that his duty here is to bring about better conditions for the people he is paid to represent.

Mr. Robichaud: That is what this government is doing.

Mr. Van Horne: When I think of the sabotage efforts the hon. member for Gloucester is carrying on because the people of his county are trying to get a bridge across to Shippigan island I feel sorry for the poor people of Gloucester county who are saddled with such an utterly worthless gentleman.

Mr. Speaker: Order. The hon. member for Restigouche-Madawaska will have to revise his sentence.

Mr. Van Horne: It is not completed.

Mr. Speaker: The words that have been used are quite complete. Perhaps he could eliminate that sentence or revise it.

Mr. Van Horne: I am very glad to withdraw it; everyone knows it is true.

Mr. Robichaud: On a question of privilege, Mr. Speaker, the hon. member has just said—

Mr. Speaker: Order.

Mr. Van Horne: In closing my remarks—

[Mr. Gregg.]

Mr. Speaker: Will the hon. member for Restigouche-Madawaska remain seated while the hon. member for Gloucester states his question of privilege?

Mr. Robichaud: On a question of privilege, Mr. Speaker, the hon. member who had the floor said, after your remarks, "Everyone knows it is true". I wish he would withdraw those words.

Mr. Van Horne: All right; I will withdraw them.

Mr. Speaker: The hon. member said that. It is not an unconditional withdrawal. That is what the rule calls for.

Mr. Van Horne: Mr. Speaker, I withdraw; I am very happy to do that.

Mr. Speaker: The hon. member withdraws but should not add, "Everyone knows it is true". As long as we understand that it is an unconditional withdrawal everybody is happy.

Mr. Van Horne: In closing I wish to mention one other proposal. We have a problem in regard to the children of unknown parents. I have been approached by hospital staffs and hospitals in the province of Quebec and elsewhere to the effect that they are not getting for these children family allowances or help of any kind. This problem is a very serious one, because these are mostly religious institutions that have to depend for a livelihood on donations received through charity. These children get no help of any kind. You would think that at least family allowances would be paid to the institutions caring for those children. This is a problem that does not lead to any suggestion of frivolity that some hon. members are prompt to take advantage of. This is a problem that demands action by the Minister of National Health and Welfare.

Before closing I wish to praise the work of all those who are connected so intimately with the governments of our municipal bodies. Our county councils demand from their members long hours of assiduous work to stretch a dollar bill, making it do the job of a $10 bill. They do not have the advantage, which hon. members across the way have, of turning the crank and putting the squeeze a little harder on the poor taxpayers of Canada. In many instances they have to do with next to nothing. Local improvement districts have to undertake the building of schools and, once those schools are built, they have to provide for the management and servicing of those buildings. They are unable to do so from their ordinary sources of taxation.

We have problems which are concrete and real which the federal government should take time to study. You should come down from your high horse and look at what goes on in this country. I suggest that steps be taken and that these proposals that we have been making over the years should not be set aside. In one breath we are asked to make these proposals but in the next breath we are slapped in the face by the indifference and neglect of this government.

Mr. A. W. Stuart (Charlotte): Mr. Speaker, I have listened to a good portion of this debate so far. Knowing that the hon. member for Restigouche-Madawaska was to speak today, of course I had to sit here to hear what he had to say. I do feel that he has a job to do, and he should get about doing his job right away. I can assure him that the report we get from the premier of our province with reference to conditions there and the report he has given us here today contrast greatly.

The premier of our province informs us that we were never so fortunate since we have been the province of New Brunswick. We have just passed through the greatest era in our history and the future is bright indeed. I can assure the hon. member who has just resumed his seat that the report we have heard from him today does not coincide with the one that is being given by the premier of our province. I do feel they should get together and do something about this.

The hon. member made one remark with reference to one of my colleagues from New Brunswick. He said he believed that the hon. member for Gloucester is paid to represent his county. I want to say I believe that the hon. member for Gloucester is doing a much better job than the hon. member for Restigouche-Madawaska is doing, for at least he is here in Ottawa and this is the first time I have seen the hon. member for Restigouche-Madawaska for several days.

Mr. Van Horne: He was here yesterday.

Mr. Stuart (Charlotte): There is an advantage in being at home. He has had several days to sit down and write the speech which he read so well today.

Mr. Van Horne: That is another lie.

Mr. Stuart (Charlotte): It provides time to get together the few remarks which he comes to the house and delivers and then goes back home again.

He made one remark today about requests of our provincial government to build the Chignecto canal. I have been here 11 years and I have seen requests from organizations of different kinds to build the Chignecto canal, but in my memory there has never been at any time a request that has come from the provincial government to build the Chignecto canal. If I am wrong I stand to be corrected. In my memory the provincial government has never suggested the building of the Chignecto canal.

Mr. Van Horne: I never said it did.

Mr. Stuart (Charlotte): The hon. member's remarks are on *Hansard*. I think I took them down very carefully. Another thing most noticeable in the hon. member's remarks was this. He was most generous with federal funds.

Mr. Van Horne: What is that again?

Mr. Stuart (Charlotte): A great many in the maritime provinces and in other parts of Canada have come to the conclusion that the federal members who sit here and the federal government which we have here at the present time are nothing more nor less than a tax-collecting agency for the provinces. That is the idea that they hold out, and it is growing very rapidly. I can assure the hon. member who has just resumed his seat that never in his time or mine and never since confederation has any federal government been more generous to the maritime provinces than the one of which I am a supporter.

When the provincial government took over in 1952 in New Brunswick the federal payment under the tax rental agreements was between twelve and thirteen million dollars. This year they are going to receive nearly $20 million. Why does not some of that go to the municipalities?

They are going to discard the sales tax, so they still have that to give to the municipalities. Why all this generosity on the part of the federal government? Why do they not loosen up the provincial purse strings and help the municipalities as they should help them? When the next election takes place and the change has occurred you will have a more generous group to deal with the people of New Brunswick than you have right now.

The hon. member also strongly recommended that public buildings which belong to the federal government and everything in which it is interested should be taxed in the towns, villages or wherever they may be located. I just want to give my hon. friend a little tip. If he will drop a line to our premier and suggest that the provincial government do exactly the same thing in connection with our liquor store it will be appreciated in the town of St. Andrews from where I come. The liquor store there does the biggest business of any organization in town, and they have never paid a single

dollar by way of tax since they were established there. This generosity must work both ways. The hon. member should not suggest to us what we as federal members should do and neglect his duty as a provincial member—

Mr. Nesbitt: We are not provincial members.

Mr. Stuart (Charlotte):—because you cannot have it work only one way, it must work both ways.

The hon. member was very critical of loans and gifts which this country has made to countries which are less fortunate than we are. Since we came here in January I have heard several of his group rise in this house and suggest that if there is any possible way in which we can increase the amount of our contribution to the Colombo plan we should do so. I quite agree with that. Surely the hon. member's own colleagues cannot agree with him when he gets up and criticizes what we are doing today under the Colombo plan and other plans to assist underdeveloped countries.

Mr. Van Horne: Mr. Speaker, I rise on a question of privilege. I am not criticizing that at all; I merely say the horse should go before the cart.

An hon. Member: You did.

Mr. McCann: Where else would you put the horse?

Mr. Stuart (Charlotte): Mr. Speaker, the hon. member certainly said what I said he said. It is only a few weeks ago that he bitterly criticized the gift we made to Britain—

Mr. Van Horne: That is not true.

Mr. Stuart (Charlotte): —and in the same statement he said they were foreigners.

Mr. Van Horne: That is another falsehood.

Mr. Stuart (Charlotte): It is on the record and I can find it within five minutes if he wants to read it. Those certainly were his words.

The hon. member today in his generous mood has suggested that the federal government should pay the complete cost of the trans-Canada highway. He suggested on other occasions and I think again today that we should increase if not double the family allowance and old age pension. His last remark was particularly interesting. He said in reference to the government that it wants to squeeze the poor taxpayers of Canada. If there was ever a squeezer of the poor taxpayers of Canada he sits in that seat over there. If all the suggestions the hon. member has made in the short time he has been here were put into effect, income tax, sales tax and every other tax that we collect would have to be doubled to take care of it. Then he talks about the government squeezing the poor taxpayers. Since I have been here I have never heard anyone who has criticized the government for not spending money to the extent my hon. friend has criticized it.

I do not know if the hon. member realizes that to double the family allowance would cost the taxpayers of this country, if I remember correctly, between $350 million and $400 million and to double the old age pensions would cost about the same. You could soon pile them up and have a billion dollars. There is only one place from which that money can come, and that is from the taxpayers of this country of ours. The hon. member said we are squeezing the taxpayers of Canada.

Mr. Van Horne: Are you against increasing family allowances?

Mr. Stuart (Charlotte): I am not against any increase for any purpose which the taxpayers of this country can afford to pay.

Mr. Van Horne: Do you not think that better management could bring those things about?

Mr. Stuart (Charlotte): You will never produce that management if you carry on in the way in which you have been carrying on.

Mr. Van Horne: Wait until the next election and you will see who produces it.

Mr. Stuart (Charlotte): The better management you are looking for will never come from the source you suggest, I can assure you of that.

Mr. Robichaud: He is thinking of his other leader.

Mr. Stuart (Charlotte): The hon. member mentioned the Campbellton bridge. It is to be regretted that he was absent the other day when the minister made a statement concerning that bridge. Perhaps the hon. member has not had time since his return to read the statement but I would suggest that he should read it, because the minister spoke in some detail concerning that particular question.

The hon. member made one other statement with which I must deal for a moment before resuming my seat. He suggested today that the Minister of Labour knew that the regulation in connection with unemployment insurance would be harmful at the time the act was amended last year.

Mr. Van Horne: No.

Mr. Stuart (Charlotte): Those were the words you used. Before it became law that bill was before a committee of this house

on which were labour experts of the Progressive Conservative party, and they were provided an opportunity to go into it as far and for as long a time as they liked. We have been given to understand that there are labour experts in the Tory party. I fail to understand how this ever slipped by all the experts they had on this committee. I would say it is an acknowledgment of neglect on their part. At the same time I can assure the hon. member that the Minister of Labour had no idea that the amendment would be harmful in any way to any Canadian. I am sure the citizens of Canada will agree with that statement.

Before resuming my seat I am going to suggest that the hon. member get in touch with the premier of our own province and suggest to him that he put into effect some of the generous ideas which the hon. member would like to turn over to the federal government. I would ask him again to go over the records carefully to see if he can convince himself that the generosity extended to the provinces of Canada by this government is beyond reproach. There has never been a time since confederation when such an effort has been made to distribute the wealth of this country fairly and honestly, and any fair-minded Canadian will acknowledge the truth of that statement.

I would remind the hon. member of all the social services that have been provided and the tax rental agreements without which we could not get by in the province of New Brunswick. The man who fought for that was Hon. J. B. McNair, premier of our province at that time, but the hon. member gives no credit where credit is due. The only thing we hear is criticism which is always aimed at the federal government. I cannot sit here as a federal member and take that kind of stuff from the hon. member for Restigouche-Madawaska, and I do not intend to. I would suggest to him that he direct some of his criticism where it belongs, and that is to the provincial government in the province from which he comes.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I have read with some interest the amendment of the Leader of the Opposition, which I think is a bit vague. I agree with it as far as it goes, but before I sit down I hope to move an amendment which will aim at one particular phase of assistance to the municipalities by the federal government and which will, I think, put some teeth in the original motion.

I have listened with interest to the speakers who have preceded me, and I have noticed that the first utterance of at least several to whom I have listened has been an expression of concern with the expense of education to the municipalities in this country. I believe at the moment that is the form of assistance from the federal government which the municipalities most need. I am not going to make a full speech upon federal aid to education, as I perhaps will have an opportunity at another session to do that, but I do want to relate what I have to say to the need of the municipalities.

In 1951 the school boards had 2,500,000 children to look after. Since that date the school population has been increasing at the rate of 150,000 per year. Since that date the population of Canada has increased by 1,750,000. If the present educational programs are to be maintained, not to speak of an increase or betterment in them, something will have to be done. If these services are maintained it may be that other services will have to be lessened. In time of want or in time of war education is usually the first casualty. If any services have to be lessened I am afraid that once more it will be education that will have to be either reduced or remain stationary.

Do we want to maintain our educational standards in the provinces and in Canada as a whole? I know that education is a sacred cow in Canada and we will be told, as we have been told in the past by cabinet ministers when I have moved my resolution on education, that this is a matter of provincial jurisdiction, and I agree completely with that view so far as administration and curricula are concerned.

To get back to the municipalities, if we are going to maintain our present standards or if, as I urge, we are going to increase them, then somehow or other we must broaden the base of taxation for the purposes of education. I think every hon. member of this house knows from his own particular area that municipalities are now at their wits' end for a solution of this problem. At the moment municipal taxes for education are raised from real property. The municipalities are now paying 65 per cent of this cost with the provinces paying the other 35 per cent, according to the average figure. Of course some provincial governments are doing better than others.

I submit that there are two main problems with which the municipalities are confronted. The first is the capital cost of erecting educational buildings, and the second is the cost of maintaining a staff of capable and well-trained teachers, and let me emphasize the words "capable and well-trained". The situation as it exists today in Canada is rather disgraceful and does not compare very

well—I say this with regret—with that existing in many other countries which I could mention.

What is the present situation? The latest statistics I have for 1952 and 1953 show that with our small population we had 5,142 substitutes in our schools, people without any professional training at all. I ask the individual members of this house if you would like to have your child sitting on a bench in front of one of those so-called teachers. There were 5,142 substitutes without any professional training and 3,744 with only partial or substandard training.

Those two problems, the building of schools and the maintenance of proper staff, are major problems. If teachers are paid sufficiently no doubt they will be trained. The result of the situation I have described is widespread irregularities or inequality of educational opportunities for children throughout different parts of the country. This problem has been solved by many provinces on a provincial basis by increasing the size of the unit of administration. There may be districts, particularly farm areas, where there is a high assessment and where the people can contribute to the education of the children of their less fortunate brethren. As far as I am concerned and as far as this group is concerned that is the ideal at which we should aim.

I maintain that some remedy should be forthcoming in the federal field. As I said before, I grant that under our constitution education is a matter for the provinces, but I submit that the federal government has a duty to see that education be not allowed to fall below a certain acceptable standard in any province. I submit that is within the competence of the federal government without any interference with the administration of education by the provincial departments.

It is well known that in certain provinces a classroom can be maintained at the expenditure of $5,000 yearly, but in certain other districts or in certain other provinces to maintain a classroom at an expenditure of $5,000 a year would require twice the sacrifice and twice the financial effort.

I should like to deal now with the importance of education to Canada, which after all is simply made up of a group of municipalities. Our position in world affairs, our position in the world depends upon the education of our people. Our scientific progress, the maintenance of social and cultural levels in Canadian life, the ability of our armed services to function, the standing of our diplomatic corps, all depend upon education. When a Canadian goes out into the world he is not thought of as being the product of the educational system of Prince Edward Island, of British Columbia or of Saskatchewan; he goes out bearing the insignia of the maple leaf. It is as Canadians that we must face the world, not as provincial people.

What about the cold war? We have had a lot to say about the cold war. There are some startling comparisons that could be made, but I have not the time to make them today. We have all been reading articles and documented reports and statements dealing with world affairs. If we think of Russia, for example—I am not advancing this as an argument that we should do the same thing—we must face the fact that in that country there is a higher percentage of people attending the universities than there is in Canada or for that matter in the United States. If you will read the statistics dealing with the number of people engaged in engineering—

Mr. Harris: Percentage or numbers?

Mr. Knight: I have forgotten what I was talking about.

Mr. Harris: The hon. member said there was a larger percentage attending universities.

Mr. Knight: There are larger numbers of people attending universities in Russia than there are in the United States. That must mean something. Many people are worried about the progress of communism across the world, and sometimes I am inclined to think that the very same people who are worrying most about the progress of communism are those who are standing in the way of progressive education in this and in other countries, progress which would enable us to compete with those people behind the iron curtain in the economic and cultural fields.

So much for the need for education. I turn now to the constitutional question. I have already said that I am all for the control of education, so far as administration and curricula are concerned, by the provincial governments. But the fathers of confederation in 1867 certainly could not foresee the crisis with regard to education that we are in today. They could not foresee that through shifts in taxation it would become increasingly difficult for the municipalities to meet their bills in regard to education. Sometimes I think the constitutional question is a little overdone.

Now I must—mildly at least—attack this government in this regard. We have a situation in which the left hand does not know what the right hand is doing, and vice versa. We have a good deal of pussyfooting and a good deal of rationalization. When the Leader of the Opposition mentioned yesterday

that the first need was for some federal assistance to the municipalities for education, the Minister of Finance was very careful to remind him, and the Leader of the Opposition was very careful to admit, that of course provincial autonomy was one of the sacred things.

I have thought about this left hand and right hand. That was the left hand speaking, but the Minister of Finance with his right hand is giving educational grants to a dozen parts of this country, and pouring money into them. I could read you lists of them. What about the great D.V.A. scheme; what about scholarships to university students, university grants, technical aid and vocational aid? What about the field of health? Surely in 1867 health was one of those sacred things that was within the prerogative of provincial jurisdiction. My hon. friend who is not here, the Minister of National Health and Welfare (Mr. Martin) is boasting all across this country that he is paying half the cost of building hospitals in the various provinces and giving direct grants to the provinces for the purposes of health.

Look up the British North America Act about that one thing. Nobody seems to be too much worried about that. They have their left hand out for the money while they are disowning it with the right hand. I am a little fed up with that pussyfooting, that criticizing with one hand and taking the money with the other. "Rationalization", I think, is the correct word for it. That is a type of rationalization to which we have become accustomed in this house ever since I have been here.

Then there is this matter of the left hand and the right hand in reverse. What about UNESCO? We signed the treaty, but what do we ever do about it? This time it was the left hand that came into operation. They said, "We must not do anything about that. We are all for it; it is a fine educational thing; but we had better pussyfoot a little on that. Don't touch that."

What about the Canada Council? One of the finest speeches—probably because I agreed with it—I have heard the Prime Minister make was the speech he made on the humanities at the Chateau Laurier hotel. We were a group interested in the humanities and interested in the Canada Council, and we met there after a two-day session at a banquet. After the banquet the Prime Minister made his speech. Was it the left hand or the right hand? It was the hand of bounty this time that was in operation. That speech was as close to a commitment that any man could go without making a definite commitment, that there would be, in the next speech from the throne, notice that this would form the subject of legislation at the following session. Afterwards one of my friends, a professor from Saskatoon, clapped me on the back and said "It's in the bag." I said, "Yes, I would think it is."

Was there a word about it in the speech from the throne? No. Somewhere there was a little something that stopped that. When the next session came along a few months later I asked the Prime Minister if it was his intention this session to initiate the Canada Council as recommended in the famous Massey report. He said "No." "No" is one of his favourite words. Then he modified it, as always, by saying, "Not at this time."

Mr. Knowles: The Minister of Finance is holding the bag.

Mr. Knight: I can assure you that this "no" will some day be changed to "yes" and "not at this time" will be changed to "now". That is what I mean by pussyfooting. I do not know whether I have made myself clear. I think the Minister of Finance understands fairly well what I am talking about.

Mr. Harris: I certainly do.

Mr. Knight: It is wonderful what you can do under the constitution if you want to do it. These hospital grants are fundamentally opposed to the idea of the constitution. It is disgraceful, taking away from the province their sacred jurisdiction in the matter of hospitals, but that is what is being done. I see no reason why the system that is being applied to the capital expenditure in building hospitals could not be applied to the building of educational institutions without interfering one iota with provincial jurisdiction over education.

I have not heard one criticism from any province that the federal government or any of its departments is in any way interfering with, say, technical training, vocational training, or any of the other things I have mentioned. With regard to education, the federal government, if not up to its neck is at least up to its waist, and I should like to have it up to its neck. But I have not heard that one of these things has been anything but beneficial to the people of this country. That is my case for the municipalities.

Some time ago the members of the Canadian School Trustees' Association—and surely they are men who are interested in the municipalities of this country—got together and instituted a research project. The head of that research project was Dr. LaZerte, formerly of the university of the province of Alberta. They obtained all the facts and figures necessary to implement the machinery

that would do what I want the government to do. But it seems strange to me, when these municipal men, these trustees from all over Canada, came to a certain conclusion on a certain thing and then appointed a delegation to interview the Prime Minister on this matter, that they received from the Prime Minister presumably—I do not know, but I suppose it was—a letter refusing any such interview. Why? I have in my hand a letter on the letterhead of the Canadian School Trustees' Association, signed by the secretary treasurer. He is speaking about this lengthy report on school finance which they had prepared. He says this:

> This year a delegation proposed to present a brief to the cabinet based on that report. Unfortunately the Prime Minister has declined to receive the delegation—

He declined to receive a delegation composed of respected men from all over the country. Why? The sacred cow; the old left hand. The Prime Minister, just like the Minister of Finance yesterday, did not—and he dare not—advocate this thing. They both know it. The writer of this letter says that unfortunately the Prime Minister has declined to receive a delegation as he contends that education is a provincial matter. Sir, I could have told those people before they attempted to send their delegation that they would get no welcome at Ottawa on the basis upon which they wished to come.

Mr. Speaker, I think that is the finish of my argument. Now what I have to do, as I said I would a moment or two ago, is move the following amendment, seconded by the hon. member for Dauphin (Mr. Zaplitny):

> That the amendment be amended by inserting therein immediately after the words "introduction of legislation which will provide for" the following words:
>
> "federal aid to education, without interfering with provincial control thereof, and for".

The amendment as amended would then read as follows:

> This house is of the opinion that immediate consideration should be given to measures to assist the municipalities of Canada to meet their mounting financial problems, and in particular the immediate introduction of legislation which will provide for federal aid to education, without interfering with provincial control thereof, and for the exemption of all municipal councils and school boards from the payment of excise taxes including the 10 per cent sales tax, and which will further provide for payment to municipalities of the equivalent of full municipal taxes.

Mr. A. H. Hollingworth (York Centre): Mr. Speaker, the hon. member for Saskatoon was talking so much about right hand and left hand that it reminded me that tomorrow is the day of the opening of the baseball season in Toronto. I guess my thoughts were wandering, in view of the beautiful weather and so on, and I was thinking of left-handed catchers in left field in Maple Leaf stadium.

I am not going to get into any discussion with my hon. friend about education. He knows how strongly I feel about education. However, I will say this with all deference, Mr. Speaker. I do not think he really appreciates the fact that the prerogative of education is so strongly held by people in the provinces in this country that I do not think any government has even suggested that grants be made for education to those governments. I do not think my hon. friend would go that far.

Mr. Knight: Mr. Speaker, may I ask the hon. member a question? Does he not know that both Hon. T. C. Douglas, premier of Saskatchewan, and Mr. Campbell, premier of Manitoba, and certainly the premier of one of the maritime provinces—I can get his name without any difficulty—have directly asked for federal aid to education and have suggested that the matter be discussed at the dominion-provincial conference here?

Mr. Hollingworth: To me that is extremely interesting information, Mr. Speaker. I certainly know that the province of Ontario would be most reluctant to participate in any scheme whereby it would get a direct grant from the federal government for primary education.

Mr. Knowles: Tell us where you stand.

Mr. Hollingworth: I think it should be pointed out, and I know it has been pointed out in this house ad nauseam, that in the matter of municipal affairs the responsibility of the provinces is paramount. Naturally we in North York are interested in this whole problem of municipal taxation. I need only quote a few figures to show why it is a matter of such great importance in my riding. For example, the building permits in 1955 amounted to $78,504,000. Permits this year from January 1 to March 31 are up from $10,965,000 to $13,760,000. Furthermore, 3,940 houses were erected in North York in 1955 and the rate has been going up every year so that for the seventh year in a row more houses have been built in North York than have been built in any other part of Canada.

That fact, of course, points up one thing and one thing only, Mr. Speaker. If there is any municipality in this country which needs some assistance from senior governments it is the township of North York. But, as I say, it is primarily something that comes within the ambit or under the jurisdiction of the provinces concerned.

I am going to take advantage for a few minutes this afternoon of the opportunity of pointing out where I think both the federal

government and the provincial governments can assist, keeping in mind all the time that it is primarily the province of Ontario to which the municipalities in Ontario should look.

The township of North York municipal council has requested me to point out in this house that they are of opinion that this grant on the 2 per cent assessment should be revised, and that the municipality should receive grants on crown lands notwithstanding the fact that they do not have crown lands comprising 2 per cent of their assessment. From the opinions I have received this restriction would seem to be anachronistic and illogical. It is a hangover from the days when the crown could do no wrong. I think it would be desirable at an early date, if possible, to have this restriction abolished.

I have only one other thing to say about the federal government in connection with municipal affairs and that is that it is the feeling of the township of North York, and I suppose that of other municipalities, that they are not consulted sufficiently in the whole area of planning. For example, when Downsview airport was extended and one of the streets was cut off, no notice was given to the township of this action until one of the councillors—actually he was the reeve at the time—tried to go along the street and was prevented from doing so by the Department of National Defence. If the federal government could consult with the municipalities in the whole general area of planning—for example, in the extensions of airports which are so important in my riding—it would certainly be desirable.

I now come to this matter of the provincial governments and municipal taxation. It is my submission that the present government in Ontario can deal with the matter in two ways. One way is to distribute some of its surplus to the municipalities in the form of grants. The second way is to revise the whole basis of municipal taxation.

I shall deal with the first matter first. As I understand it, the Ontario government last year had a surplus of $50 million. It is my further understanding that of this $50 million surplus, $30 million was put into a highway reserve fund. If those moneys had been paid to the municipalities in the form of educational grants I do not think we would hear this continued cry from Queen's Park that they are not getting enough money from the federal government.

A select committee of the Ontario legislature decided that toll roads would have to be instituted, and so on. For example, on No. 401 highway the daily increase in traffic was from 1,500 cars in 1954 to more than double that in 1955. I think this committee has finally come around to the point of view that we certainly need toll roads in Ontario. In view of the prodigious amounts of money being expended on roads throughout Ontario, it would seem to me that toll roads might be the answer. I would think that if the government of Ontario would look into the matter of toll roads and implement some legislation in that connection, then they could turn over some of these badly needed moneys to education instead of to highways. Last year the Ontario government spent more money on highways and public works than on education. It is, therefore, a moot point as to whether or not the provincial government has to increase taxes. It would seem to me that if they were to distribute moneys as they should, the people of Ontario would have education paid for by means of grants from the provincial government.

My second point, Mr. Speaker, is this. I submit that if the grants for educational purposes are not sufficiently great, then the whole basis of municipal taxation should be changed. The municipal act in Ontario was originally passed in 1837, I believe, under the Baldwin-Lafontaine administration, which of course preceded confederation. I am informed that the last revision of any importance was made in the year 1911. The municipalities in Ontario have very restricted rights of taxation. For example, they can levy a tax on realty; they can levy a poll tax and they have certain licensing powers. They have practically no other taxing powers.

Now of course, Mr. Speaker, with the tremendous growth in housing and the consequent development of schools, the realty tax payer in Ontario has been burdened tremendously. In my municipality of North York 55 per cent of the tax dollar goes to education and 45 per cent covers all the other municipal services. It would appear to me that the whole basic concept of taxation must be changed to meet the real problems that exist at this time. It would seem to me that, from the municipal point of view, taxes might well be considered on the basis of ability to pay, like the income tax. For example, consider the position of a gentleman who lives in a lavish apartment, and compare that with the position of a man raising five children. The man living in the apartment may be a millionaire but he pays only a small part of the realty tax in his rent, whereas the man who has five or six children has to pay an abnormally high tax proportionately. If it were based on ability to pay, then the whole basic concept would be changed.

Proposed Tax Relief for Municipalities

Of course, there is also another field which has not been tapped adequately I think by the province of Ontario, and that is the field of direct taxation. I believe Ontario has the constitutional right to tax directly. It could levy a sales tax or an income tax. Quebec has levied an income tax and the provinces of Alberta and British Columbia have levied sales taxes.

Mr. Blackmore: We have no sales tax.

Mr. Hollingworth: I thought you did.

Mr. Low: No, we abolished that many years ago.

Mr. Hollingworth: The province of British Columbia has a sales tax, then. In other words, other provinces have sales taxes and income taxes. I think Ontario should also explore that matter. I am not saying, Mr. Speaker, that there should not be a tax on property. I think it is fitting that the realty tax should cover such things as local improvements, sewers, roads and things like that. It seems to me that the realty taxpayer should not have to bear the disproportionately high educational costs which are facing the people of Ontario. I think we have come to the point where the Ontario government has to face up to this matter of municipal taxation. Last week I saw a headline in the Toronto evening *Telegram* to the effect that somebody advocated a march on Ottawa because of municipal taxation. I feel that is typical of the distorted thinking which is taking place now, and the propaganda being put out by the government of Ontario. The province of Ontario has to face up to this fact; it has to be realistic. The people of Canada, the people of Ontario, the people of North York and the other municipalities of metropolitan Toronto, should know that it is the Ontario government which has the first responsibility. It is my respectful submission that Ontario has failed, and is failing, to live up to its primary obligation to its citizens.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): This problem which we are discussing today, Mr. Speaker, is an old one. I suppose it is true of all democratic processes that we involve ourselves in long discussion over many years before finally coming to a decision. Certainly, there has been enough discussion on this matter. There have been resolutions galore from every organization in the country, municipal and otherwise; there have been submissions made to royal commissions. I suggest that the time has come now when action should, and in fact must be taken.

The municipalities, as has been pointed out by others, and I am not going to repeat the arguments which others have advanced, have pretty well reached a dead end street in the matter of taxation and some action must be taken. That is not to say for one moment, of course, that this government has not done some things in connection with municipalities. We have had the Municipal Grants Act, to which the Minister of Finance (Mr. Harris) paid tribute yesterday afternoon. We can appreciate everything he said in that connection. There have been, too, certain adjustments, as he pointed out, in connection with the sales tax on goods sold to municipalities. But actually, Mr. Speaker, these are only palliatives and do not deal with the situation as it confronts many municipalities today, particularly the rural ones. Although the Municipal Grants Act has helped certain municipalities, particularly those with a large concentration of government buildings, it only applies to a limited number of communities. It does not help some communities at all. In any event the increasing burden placed upon municipalities is such that even with the assistance of that act they still cannot carry on in these modern times.

The municipality is the creature of the horse and buggy age. It was evolved at the time of confederation. Under the British North America Act the provinces were given the power of direct taxation and also the power to create municipal institutions. Time has gone by and today we are long past the horse and buggy age, yet the municipality is still acting with a tax base which was envisaged in those old days. The hon. member for York Centre (Mr. Hollingworth) who just preceded me spoke for his own province—far be it from me to discuss matters affecting provinces other than my own—and suggested perhaps Ontario could amend its Municipal Act so as to give the municipalities a wider basis of taxation. I presume it is possible for a province to do that but I would be rather surprised if any provincial legislature would want to impose a sales tax if that could be avoided, or would want to impose an income tax in addition to the federal income tax.

I was rather intrigued by the suggestion that a province should impose an income tax when the government of which he is a supporter has urged that there should be an avoidance of double taxation and that taxes of that nature should be imposed only by the federal government. I cannot envisage a provincial government adopting such a measure unless it were a matter of absolute desperation.

I think the amendment which we are urging here this afternoon, and which was moved yesterday by the Leader of the Opposition (Mr. Drew), is a much more practical

approach to the problem than any involved legislation such as that suggested by the hon. member for York Centre. As I have said, this government has stuck its finger in the dike and kept the water from running in, like the little boy in the story which we read many years ago but in that case there were no other holes appearing in the dike. But in this case the dike is being punctured on all sides and the municipalities are going to be submerged unless some action is taken. When the municipalities were created, as I said a moment ago, they were the creatures of the horse and buggy age. I think that is an apt description. What were the responsibilities envisaged for the municipalities at that time? They had to look after the little red country school house; they had to provide dirt roads for the horse and buggy, literally and physically; and they had some responsibility in so far as poor relief was concerned. Other than that there were very few responsibilities for the municipalities. Certainly the fathers of confederation thought and believed—and they were right, in view of the situation prevailing at that time—that that source of taxation would be enough to enable the municipalities to carry on. But today the situation has changed so rapidly that real estate is being burdened with a crushing load of taxation.

I noticed that yesterday afternoon the hon. member for Peace River (Mr. Low) said that once every 20 years the farmlands in his constituency were virtually sold to the government. In other words, as I take it, the taxation over a period of 20 years would be equivalent to the value of the farm properties, and that is a terrific price to pay, Mr. Speaker. We realize that these problems are increasing from day to day. There is the problem of education, for instance, on which the hon. member for Saskatoon (Mr. Knight) made such an eloquent speech a while ago. We all know that, according to the bureau of statistics the school population of this country will increase 100 per cent between 1955 and 1960, thereby imposing a terrific burden on the municipalities. My own small town recently had to spend $200,000 in building additions to the schools, and we are now told that before 1960 they will have to expand those schools still further. It is true that we get some assistance from the provincial government, but primarily and fundamentally that burden is carried on the real estate property and on taxes on real estate. It is true that the municipality can impose licence fees and poll taxes, and some municipalities have imposed a sales tax. But they certainly are taxes which are difficult to administer and in many instances, certainly in a small municipality, they would not return anything like enough to solve the problems they are supposed to meet. Therefore, we bring this amendment before the house at this time because we think, as I said, the time has come when some concrete action must be taken.

In opening the debate at the beginning of this session the Prime Minister said, as reported at page 49 of *Hansard*:

> We did not see any need to share in the normal costs of growth of provinces and municipalities.

He was speaking for the government. The trouble, Mr. Speaker, is with the word "normal". What is normal? As I said, what was envisaged by the fathers of confederation as normal is absolutely abnormal today. The cost of streets, sidewalk maintenance, the cost of police and all these other costs which are incidental to our modern twentieth century were never foreseen at all. The government says, we did not see our way clear, or did not think that we should share in the normal costs of growth. I say when they say that they are shutting their eyes to the progress which has taken place and are refusing to face the realities of this problem.

When the Minister of Finance dealt with this matter yesterday afternoon he said, well, of course, this is a vote of confidence and I believe the government should be maintained and therefore I am going to vote against the amendment. Of course, that implied that all hon. members on the other side of the house would vote against it also. I think it is possible for the government to announce that an amendment of this kind need not be taken as a vote of confidence. They could recognize the principle of this if they believe the situation is as serious as I believe it is. I think the minister would be surprised to find how many of the members on his own side of the house also recognize the seriousness of this problem, because it is a most difficult one, and particularly, as I said, those who come from rural constituencies can appreciate it much more than others. The Minister of Finance came originally from a rural community in Ontario. Certainly he must realize the seriousness of it. As with so many other problems which are confronting the government today, the minister has pulled down the blinds, put out the cat and gone to bed to sleep on it. There are some problems he can sleep on, but this one is of such a pressing nature that I do not think he can afford to do that any longer.

I do not think I would have intervened in this debate today if it were not for the fact that it is of special interest to those of us from the maritime provinces. We have had the anomalous situation of an hon. member

coming from one of the wealthiest municipalities of Canada, the hon. member for York Centre, suggesting that something should be done, followed by me, coming from one of the "have not" provinces of Canada. This amendment is of particular importance to us.

In looking over the briefs submitted by the organization of municipalities some time ago I was surprised to note that the three maritime provinces are the only provinces in Canada which are 100 per cent organized on a municipal basis. We were, of course, among the older provinces. Our municipalities were organized in some instances even before the provincial governments were organized. Take Ontario for instance. The brief says that slightly more than one-tenth of the area of Ontario is municipally organized and about one-tenth in Quebec, and so on and so forth with respect to the other provinces of the country. I am not sure of the basis on which those local governments are carried on in those areas which are not organized municipally. I presume there would be some basis of local taxation imposed, through the provincial government, by a local authority. The fact is that in every one of those other provinces the provincial government exercises direct responsibility all the way from 50 per cent to nine-tenths of the provinces. Certainly, so far as we are concerned, those other provinces are in a slightly different position from most of us in the maritimes. Every square foot or square mile of our province is organized within an existing municipal organization, and the municipal government is responsible for carrying on much of the expenditure.

The second reason, of course, is an obvious one. In the maritime provinces we have not had the tremendous influx of population and the great increase in values of real property which has taken place in some parts of Canada. I realize, of course, that an increase in population also brings an increase in expenditure. Municipalities are complaining of the great degree of prosperity with which they are confronted. Because of the increase in population they have had to provide serviced land. In a few years' time they may be over the hump, so to speak, but at the moment those municipalities have these pressing and urgent financial problems because of this prosperity. Nevertheless, when you do get a continually expanding population and a continual increase in real estate values and an influx of industry and all those other factors which have been attendant upon at least so many parts of Canada, it does, I suggest, make the problem of municipal taxation an easier one than it does in other provinces which have not had that situation prevailing, or at least have had it to a very limited degree. I am not suggesting we have not had an increase in values; I am not suggesting we have not had some increase in population, but it has not been at all in keeping with the tremendously rising scale of municipal costs and therefore our municipalities are probably in a worse position than those in other parts of Canada.

In the third place, as the municipal government is the creature of the provincial government and is a legal creation by statute, dependent upon the provincial government to a certain extent for revenues, the provincial governments in the maritime provinces, as they admit themselves in their briefs, are not in a position to make the contribution to the municipal organizations which other provinces might do.

The hon. member for York Centre said a few moments ago that Ontario, out of its surplus this year—he did not say they should have, but they could have, given $50 million to the municipalities of Ontario. Certainly, no maritime province could give $50 million or one-tenth of that or any proportion of it whatsoever. It is true that they have a small surplus, yet it is because they had to starve practically their own provincial services, and they had no money left for the assistance of the municipalities on the basis which should be recognized today. As a result, in those provinces and elsewhere too, the tax on real property is increasing and increasing. The tax on the farmer is particularly onerous. The farmer's revenue has been falling during the past several years and in many cases farm values have been falling. There are many places in my own province where if it were not for the building on the farm which constitutes the home the farm could not be given away. Farm values are down and will continue to depreciate still further before we get out of the present agricultural problem with which we are confronted, and yet it is the farmer in the rural community who is carrying the burden of increasing taxation.

In my own province we have had a new act brought into effect this year which has imposed a terrific burden of taxation for education. I am not discussing the merits of it but I do know it is causing the farmers in my constituency a terrific problem. In fact it was a shock to them when they realized the increased burden of taxation they would have to meet in order to equalize the educational system throughout the province of Nova Scotia. Of course the farmers are carrying the burden in more ways than one.

I said originally that the municipality is a creature of the horse and buggy days. What is the situation? We have young men working in the city today who are establishing their homes in the country, perhaps building or renting. They are young married couples for the most part and they have two, three or four children. Those families are living in the rural municipalities which must provide schools and other services for them, and yet the revenues derived from the new homes they build are not at all in keeping with the increased costs which are confronting scores and hundreds of municipalities alongside towns and industrial areas in various parts of this country. As I say, the burden is a heavy one on the rural municipalities.

What do you do about it? The shift in taxation has been an amazing one in the last few years. There was a time when the moneys derived from the municipalities were sufficient to look after their services. Some of these figures have already been put on the record but I would like to repeat one or two of the figures to show the situation today as compared with a few years ago.

In 1930 the municipalities collected $306 million, the provinces collected only $157 million and the federal government collected $315 million, just a little more than the figure collected by the municipalities. In 1951 the revenue of the federal government had increased to $3,791 million, the revenue of the provinces increased to $918 million and the revenue of the municipalities increased to only $636 million.

In other words, the municipal revenue over the last 20 years has doubled, the provincial revenue has increased six times and the federal revenue has increased 12 times. I suggest that a substantial part of the doubling of the municipal revenue has been at the expense of the real property owners.

An argument could be made, and has been made, concerning the centralization of taxes by the Minister of Finance (Mr. Harris) and others and I am not debating the philosophy of that at the moment. I do say, however, that to centralize the collection through the federal treasury also envisages an increased responsibility on the federal treasury for various responsibilities of government that were formerly looked after by local taxing authorities.

I said that I thought the time had come, and I know it has come, when if this government does not make a fresh approach to this problem some other government will do so because it has gone just about as far as it can possibly go.

Proposed Tax Relief for Municipalities

Various suggestions have been made. The resolution which was moved by my leader yesterday suggested the abolition of the sales tax on all purchases by municipalities. The Minister of Finance said, "Well, that is going to involve tremendous administrative difficulties and if you repeal it for one person then you have to repeal it for another." He said it was a difficult task to accomplish. He shrugged his shoulders and regretted its difficulty and implied that it just could not be done.

I point out to the minister that by his own admission he has made alterations in that tax and the imposition of it. He told us yesterday that road machinery amounting to over $1,000 in value purchased by municipalities would not bear a sales tax. If it is possible to remove the sales tax on road machinery it is also possible to remove the sales tax on any machine which is bought by a municipal government.

The anomaly of the situation was pointed out by the hon. member for Brandon-Souris (Mr. Dinsdale) last night when he said that a municipality might buy a large number of machines under $1,000 in value and not receive the removal of the sales tax but if the unit purchase had been over $1,000 in value there would have been an absolute forgiveness of the sales tax.

Mr. Harris: There are not very many of them under $1,000 in value.

Mr. Nowlan: There would not be today with rising costs, that is true, but it is all the more reason that the municipality which is faced with expenditures should be given some assistance, and this is one field in which it could be given assistance.

The minister realizes the problem and smiles benignly at the suggestion. He says: After all, the municipality is the creature of the province. We have always recognized the fact that the crown should not tax the crown and therefore you do not tax the provincial government but it is all right to tax the municipal government. I would point out that the municipality is also a creature of the crown. Whatever the legal situation might be, I say that for all practical purposes the municipality is a creature of the provincial government. The provincial government delegates certain responsibilities to the municipality.

As far as principles of taxation are concerned I would remind the minister that several years ago—I imagine the minister was a practising barrister at that time—it was a recognized principle of taxation from the year 1867 forward that judges were sacrosanct and it was impossible to impose income tax on

judges because their independence must be preserved. It was constitutionally impossible to tax judges.

Well, what happened? The government of the day rightly or wrongly, and I think rightly, decided that taxation should be imposed on the judges. It was felt that the independence and integrity of the judiciary could be maintained despite the imposition of taxation. That was a fundamental principle but it was overcome at the time. I suggest to the minister that there is no fundamental principle involved here which he cannot overcome by simply bringing in an amendment to the sales tax system during the present session, and abolishing entirely the sales tax charged on all goods sold to municipalities.

It is true that this is not going to cure the problem but at least, instead of a little boy holding a little finger in the hole in the dike, we would have a bigger boy holding a big finger in the dike and he would therefore be able to keep out a little more water.

We had an interesting situation in my own town last year. We have a post office there which was built in 1911. Two years ago the Department of Public Works decided to renovate the building and they did a remarkably good job. As a matter of fact, they did so much renovating that they spent almost $200,000 as a result of the repairs which they effected on the building. The town in which I live was able to come within the provisions of the Municipal Grants Act and we received a fairly substantial contribution from the federal treasury on that score. It would be a lot cheaper for the government if they would allow taxes to be paid on every building in a municipality rather than spending $200,000 on repairs before the town could secure any tax on it. That was the situation in our town.

There is no reason why the principle of not taxing crown property, which we recognize as a valid constitutional argument, should apply if the value of that property is less than 2 per cent of the assessment but should not apply if the valuation is less than 2 per cent.

Then there is the suggestion made in the amendment moved by the hon. member for Saskatoon (Mr. Knight) and also by the Leader of the Opposition (Mr. Drew) yesterday in connection with education, which constitutes probably the most vital problem confronting our municipalities today. Something will have to be done about this in the near future. It is not for me this afternoon to make concrete suggestions as to how this problem should be met, but I do say that if it is not met there will be many municipalities in this country faced with bankruptcy.

[Mr. Nowlan.]

In the past we have urged that the government should assist with education, but I doubt if that will go far enough. If we are going to centralize more and more money in the federal treasury then the time is rapidly approaching when through the medium of dominion-provincial conferences with the municipalities sitting in and consulted, some mechanism should be evolved whereby more of that money shall be made available to the provinces for direct municipal purposes. I do not see any other way in which that problem can be met.

We have carried on for more than three-quarters of a century under the old constitutional tax basis, but we have outgrown that. We have reached an absolute stalemate with respect to this problem and a solution cannot be deferred any longer. I urge the government to take this matter into consideration and to see that steps are taken whereby this fundamental section of our economy, the local governments, be given the financial means to maintain a decent standard of government which they find impossible to do today.

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I was surprised to hear the reaction of the hon. member for York Centre (Mr. Hollingworth) to the amendment moved by the hon. member for Saskatoon (Mr. Knight), especially when it urges federal aid to education without interference with provincial control thereof. I am satisfied that what this means is that grants would be paid by the federal authority to the provincial governments to be used as they saw fit for educational purposes. My reaction to a question such as this is to wholeheartedly support it.

This is only one of the many factors which have been brought into this discussion from time to time which indicate the plight in which municipalities find themselves today. On examining certain resolutions moved in the past having to do with education, and amendments asking for federal assistance, my analysis of the situation is that frequently financial governments or institutions have indicated that they do not desire such assistance because they fear the motive behind the proposal on the part of any federal government to assist in a particular field of education. Possibly that is why some of the educational grants which are in existence today are not used to the optimum as we would like to see them used.

I have noticed that the field of discussion has been quite broad. Reference has been made to aid to the municipalities in connection with hospitals. That in itself is an

indication of the federal government's inability to recognize that there has been a change since the time the provincial governments and the federal government reached an agreement under which the federal authority would donate $1,000 per bed toward the cost of construction of hospitals. Since that time the cost of building hospitals has increased from $5,000 to $11,000 per bed, and that in itself is indicative of the fact that the federal government in recognizing that there was such a need before is not carrying its proper proportion of responsibility at the present time.

One or two speakers have referred to civil defence, and the fact that this government has a certain responsibility in respect to assistance in the building of bridges so that the population of our cities may be evacuated. On examination I would definitely accuse this government of using the prerogative given under section 92, subsection 10, paragraph (c) of the British North America Act. The government is always ready to take advantage of that section and call certain works as being in the interests of Canada whenever it suits its convenience, but when it comes to the responsibility of financing some of these things they contend that they are not to the general advantage of Canada and therefore they should have no share in them. That in itself is indicative of the general thought in the minds of the government today. The expenditure of money is an entirely different matter and therefore the government insists that it must protect provincial rights, that it must not help them in any way because by so doing they would be invading that field. I feel as did the hon. member for Saskatoon that such assistance could be given, as it has been given in the past, without actually injuring the rights of the provinces. Certainly the amendment moved by the hon. member is quite in order and therefore I feel that we should support it.

There is one problem in my own riding which specifically illustrates how simple it is for this government to decide that it has a responsibility in some instances and not in others. I am pleased to see the Minister of Agriculture (Mr. Gardiner) in the chamber because I should like to refer specifically to the application of the Prairie Farm Rehabilitation Act. I am quite aware that this act is applicable at the present time only to the Palliser triangle, but it has been the contention of many hon. members of this house that its application should be dominion-wide. A special committee was set up to deal with this matter and it recommended that the provisions of the act be extended to all provinces. However, the Minister of Agriculture and the government decided that they would review their responsibility in respect to this particular matter and then they said that the rights of the provinces and the municipalities under the constitution must be respected.

I must say that I am rather at a loss to understand that attitude. We have had the proposal made from time to time that this is not just a provincial responsibility, and it is recognized as such in certain sections of the country. It is contended that the provisions of the act should be applicable to all Canada, but the government still insists upon keeping its application local.

By way of an example I have here a brief submitted by the Surrey diking district, Colebrook diking district and Mud bay diking district to the Minister of Agriculture and setting out a problem which exists in that region. Many years ago these people diked the river to the extent of their financial capabilities to rectify that particular condition. However, the population on the upper reaches has grown and the slopes have been denuded of trees and today it is found that the facilities which were built some years ago are not adequate. They made representations to the provincial government which in turn made representations to the federal government asking that the engineers and officers operating under P.F.R.A. examine into and report upon what works are necessary in order to make this district safe. These people realize that in a period of ten years they are going to be in exactly the same position as they were in 30 years ago. However, the easy way out is to say, as the Minister of Agriculture wrote to the secretary of the Surrey diking district, that this is completely under the jurisdiction of the provincial and municipal governments and the diking authorities.

This suggestion of passing the buck, but not the one that the farmers want or the people need, is not the proper way to carry on business. We feel that it is wrong for our governments to continue telling each other, "This is your responsibility. If you check that in the British North America Act, you will find your responsibility is there."

My observations in this house up to this time and the conclusions I have drawn from them would indicate that it is the responsibility of the governments to get together to establish once and for all where their responsibilities begin and where they end and where they must co-operate to the greatest extent in order to give the people of this country the answer to the problem that they have the right to expect. It is completely wrong for

us to have to read articles in our press to the effect that the farmers blame the higher-ups, while actually the people that are to blame are the government of this country or the provincial government as the case may be. Or we ourselves, because we are not ready to face the task of establishing whose right it is and whose it is not. If it is the responsibility of the federal authorities to help municipalities and to help districts within this country as such, such as in the Palliser area, that same responsibility is with us today in so far as the rest of Canada is concerned.

The hon. member for Okanagan-Revelstoke (Mr. McLeod), some time ago, called for a national farm rehabilitation act instead of a Prairie Farm Rehabilitation Act. I would strongly urge this government to go into the need for an extension of that particular act.

We get all kinds of criticisms from the Liberals about what our government is doing or is pretending to do, that is, the government in British Columbia. I must say it is mostly criticism that they try to heap on it, but that government is trying to be realistic in this particular matter. They have a diking problem before them, and so they make representations, as we would naturally expect them to do, to this government. When they find it is denied them, they realize that in a period of ten years something very drastic is going to happen in that area. The fact is it will all be a lake unless something is done very soon. The responsibility rests with the province, they are told, and they have to try to find means of rectifying it. Then, when they do it, they are accused of playing politics. That has not happened in just one instance. It happens in the case of the building of bridges. Just the other day we were discussing in this house the building of bridges. We tried to find exactly what responsibility the federal government has in the building of bridges. It was quite impossible to find out exactly where this responsibility ends and where it begins in the building of bridges. I tried to ascertain from the Minister of Public Works when it was federal responsibility to do certain rock work in the Canoe pass. There again I found it was quite impossible to discover that, because certain degree of navigation entered into the question. Even though it was a navigable stream, even though these things are true, we run again into the same question of responsibility. It becomes too convenient too often to pass along the responsibility to the federal government to the provincial governments and to the municipalities themselves.

The hon. member for York Centre, in speaking, suggested that we had not exploited every means of taxation in certain provinces today, and he pointed with some glee to the fact that the province of British Columbia had a five per cent sales tax. Certainly it has a five per cent sales tax, but it has to have that because there is no means whereby it can get the wherewithal in order to operate its government as efficiently as we expect it to, and to carry on without that at the present time. Undoubtedly it will dispose of it within a very few years, but the fact nevertheless remains that we have to recognize a specific factor here. As the hon. member for York Centre suggests, certain provinces have not dipped deep enough into the bottom of the tax barrel as yet, and so we should force them to do that so that they become practically bankrupt.

The Minister of Finance himself, discussing this particular question, in reply to the hon. member for Peace River (Mr. Low), with regard to municipalities that might have been refused moneys by banks, had this to say, as recorded on page 3403 of *Hansard*. He was referring to the two federal-provincial conferences:

> On both occasions when the provincial premiers were here last year and once again when they were here this year this question arose. On each occasion I told them that if they had any instances of municipal corporations not being able to borrow money for needed municipal purposes, I should be glad to investigate the reference they would make. To this date I have not been given the name of a single municipality in this country that has not been able to borrow money for its purposes. It may well be that there are some municipalities which are obliged to pay more interest than they think they should pay on money borrowed for local improvements.

I should say that the latter part of that statement is possibly the understatement of the year for the Minister of Finance to make. Certainly every municipality feels it is being charged too high a rate of interest, for obvious reasons, because we have instituted a Bank of Canada which through discount gives to the other banks money at a charge of three per cent. This money is made available to them; why not make it available at the same rate to the provincial governments, keep it out of the hands of the banks and let it work its way back into their hands, and make them quadruple it or issue 12 times or 15 times the amount of currency they would ordinarily distribute? The suggestion that the provincial government should be given the right to get this money for municipal purposes and pass it on to the municipalities, is, I think, quite sound. There would be no more currency in the country than there would be ordinarily except that, instead of the banks being used for that purpose, the municipal government would have the money at a nominal rate.

Certain provincial governments recognize their responsibilities with respect to the

municipalities. I am satisfied with what the hon. member for Peace River, my leader, had to say in respect to what they were doing in his province. I am just as satisfied that the province of British Columbia is also doing something to help its particular municipalities. Before I deal specifically with that, however, I think that we should recognize certain fundamental facts in respect to the increase of expenditure by federal, municipal and provincial governments. I find on examining the statistics that in 1945 the federal government's expenditure was some $4,527 million. In 1955 the expenditure was $4,773 million. That represents an increase of approximately 5·5 per cent in expenditures in that 10-year period. In 1945 the provincial government expended $384 million but that figure showed a tremendous increase to $1,505 million in 1955. In other words, the provinces increased their expenditures by 292 per cent while at the same time the federal government increased its only by 5·5 per cent. The municipalities increased their expenditures from $334 million in 1945 to $1,293 million in 1955. That represents an increase of 276 per cent in the expenditures made by municipalities in the 10-year period from 1945 to 1955. That is a tremendous increase. According to my computation, if the municipalities of this country could get money for 1 per cent less than the rate they are paying today, they would save $12,930,000; on 2 per cent the saving would amount to well over $25 million. If instead of paying, let us say, 5 per cent, they could borrow money for 3 per cent, we could save the municipalities some $25 million a year in this country.

Yesterday, in reply to some of the questions asked, I believe the minister stated that the sum total of the savings proposed by the amendment of the Conservatives would amount to something like $25 million. Later he was corrected and someone suggested $40 million. If the municipalities could have their interest rate cut by a matter of 3 per cent,—if the average rate is 6 per cent; I do not believe it is that high, but if it were 6 per cent and it were reduced to 3 per cent—they could save that $40 million by utilizing the Bank of Canada to make funds available to the provincial governments and then passing them on to the municipalities. It would be a guaranteed loan by the provincial governments themselves. The minister would still be privileged to collect his taxes on these other two items, although I would personally favour the Conservative amendment that the sales tax and the excise tax be eliminated, for that in itself would amount to only some $40 million or so.

In my discussion I said that the province of British Columbia recognized the need for cheaper money for its municipalities and so had gone out of its way to guarantee school district debentures. In the budget speech for 1956 of the Premier of British Columbia, who was at the same time the acting minister of finance, I find the following at page 11:

> School Districts Debentures
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> On May 6, 1955, $7,500,000 of 3¼ per cent debentures—maturing annually over a period of 20 years—were sold to a syndicate headed by A. E. Ames and Co. Limited (syndicate managers) who submitted the highest bid of $100·277 for each $100 representing a cost to the seller of 3·215 per cent.

Possibly this would have been the answer as to provinces helping municipalities out in respect of costs of education, namely that they should guarantee the loans of municipalities. But I find that later in that same year the province again tried to interest financiers in taking bonds for the same purpose and guaranteed by the provincial government but they could not find any takers at that rate of interest. Therefore the government did what I think every self-respecting government should do. It used the pension funds that had accumulated and invested those savings in the purchase of bonds at that rate of interest. That action in itself helped to a marked degree the school districts in that area. That is to say, a provision was made whereby these school districts could borrow the money and make certain savings. Later in the same budget address, at pages 22 and 23, I find certain other recognition that the provincial government had given in respect of municipal grants. They were proposing to increase the rate of payment—and these proposals are now instituted—on a per capita basis to cities and towns and various municipal areas as follows:

> . . . from $14 to $16 per capita to a municipality with a population up to and including 3,500 persons
>
> from $9 to $12 per capita for the number of persons in excess of 3,500 up to 8,000 inclusive
>
> from $5 to $8 per capita for the number of persons in excess of 8,000 but not in excess of 50,000
>
> from $4.25 to $6.50 per capita for the number of persons in excess of 50,000

That automatically meant a large increase of some $5 million to the municipalities over and above what they had in the previous years. Comparing that with the year 1943-44, this is what we find from the figures at page 23 of this report. In 1943-44 the actual figure of the amount expended was $3,526,000. In 1956-57 it is estimated that the government will be giving to the municipalities $43,829,000. That is $40 million more than they received just 10 years ago or thereabouts.

That is an indication of the feeling of the province or the provinces. I am satisfied that certainly that one is not by itself. Every province realizes that it has a direct responsi-

bility to the municipalities. But in many instances because of the present tax agreement and for other reasons—such as the fact that during the war years all the services that the government and the municipalities had to maintain had fallen off badly and that they are being built up today—the fact that the federal government does not seem to want to recognize its responsibility makes it most difficult for some of these municipalities to continue operating. The provincial government in British Columbia, through the premier, just the other day recognized that further assistance was required. Hon. members might recall that many of the speeches in the housing debate had to do with aged citizens in these communities and those on a low income requiring help. On April 24 of 1956—that is this year—a proposal was made by the premier of that province whereby the provincial government plans to pay a municipal tax on the first $1,000 or $2,000 assessment of residential property for every home owner in British Columbia. That proposal in itself will certainly lighten the load of the owner of a small property. If it amounts to $1,000 a home—that is, if the assessment is $1,000—it will automatically mean that a city such as Vancouver will receive a net return of some $3,200,000 in lieu of tax collections that they would have been forced to make themselves. I think that every government in this country, be it federal, provincial or municipal, must recognize the need and must recognize what its responsibility is. Then, it should do something about it.

In conclusion, Mr. Speaker, I would say that the Conservative amendment with respect to financial assistance to municipalities is a step in the right direction but it does not go nearly far enough. The hon. member for Saskatoon (Mr. Knight) has taken one particular phase and accentuated it. I would agree with him that it is an important one, and I would go along with him. I would suggest, too, that the Bank of Canada be used to make funds available to the provinces at its discount rate, on the understanding those funds must be passed on to the municipalities. I did not deal with this specifically, but I would take issue with the Minister of Finance (Mr. Harris) with respect to the fact that the purpose of the Municipal Improvements Assistance Act was to create employment. I just cannot understand any government suggesting that the purpose of an act is to give people work. My land, I cannot think of anything in the world more horrible than to say we are going to pass an act to make it possible to give work in any municipal district. The purpose of this particular act should have been rather to create public works, to build the things the people in the area require. This reminds me of the thirties when the late prime minister, Mr. Bennett, suggested we should build a trans-Canada highway and give people a wheelbarrow and a teaspoon or something like that to keep them working. In my opinion the objective is wrong. The objective should be to build works by using the machinery that is available for that purpose.

Then, I would propose in all seriousness that a common-sense body of civic minded men and women study the whole field of municipal, provincial and federal responsibility in respect to the division of the taxation fields as they apply in Canada today.

Mr. Roland Michener (St. Paul's): This amendment, Mr. Speaker, both before and after the subamendment, calls attention to one of the most important and best recognized problems in the field of government financing today, namely the mounting financial problem of Canadian municipalities. It condemns the government for its failure to do any of the several things which are open to the government, and within its competence, to assist the municipalities. Two particular measures are mentioned in the amendment. The first one is to exempt municipalities and school boards from the payment of excise taxes and the 10 per cent sales tax. This aspect has been discussed sufficiently. The government recognized its duty in that respect as recently as the last session, and went a little farther towards doing complete justice to the municipalities with respect to this item.

In his remarks yesterday the minister sought to differentiate between the position of the municipality and that of the province by saying that in one case the crown was carrying on the government and in the other case it was not. He endeavoured, I think, to hide behind that legal fiction or technical objection in his approach to the relief of municipalities from sales tax. It is well known that under the federal system we have two major ranks of government. It is true that in this sphere government is carried on in the name of the crown, and in the provincial sphere as well. However, we have a third rank of government, which is the municipal range, and as has been pointed out by the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), their responsibility emanates from the provincial government. The municipalities are sovereign in some respects, although their powers can be withdrawn. They have the right to tax, and the responsibility to tax, in exactly the same way as the other two ranks of government have. It seems to me that any effort to dodge this issue by such a fiction, that is that we have only two ranks

of government under the federal system, is not very realistic or very worthy of the minister.

Now, the other suggestion which has been discussed also to some extent in the course of this debate is that a payment equivalent to full taxes on crown property should be made to the municipalities. In Toronto, and hon. members will understand I am speaking of the municipality in which my riding lies as I am sure we all relate this matter to our own localities, there are some 25 departments of government represented by offices and buildings of greater or less extent. If one looks at the Toronto telephone directory under the government of Canada, one will find that, beginning with agriculture, which has several offices, there is the board of transport commissioners; civil service commission; customs and excise as well as income tax division; defence production; finance department; labour department and so on down to veterans affairs. All of the major departments of this government are represented and necessarily have their local offices.

It is with respect to these properties of the federal government in the cities and municipalities that these grants equivalent to proper taxes should be made. As has been very clearly demonstrated in the course of this debate, the government has recognized this responsibility with some timidity and, as one hon. member properly expressed it, in a nibbling way. I have no doubt that in due course the government will go the full way. In fact, supporters of the government today have been advocating that the government recognize this problem. I hope that when the time comes for a vote the hon. member for York Centre (Mr. Hollingworth) will cast his vote in accordance with the sentiments which he expressed because he clearly admitted that the government did have a responsibility to compensate the municipalities for services received in common with other taxpayers.

Those two are not the only measures which could be taken. This amendment is in general terms, with two particular measures specified, but there are many other measures I am sure which hon. members will be able to specify. They will be able to enumerate ways in which the federal government, within its competence and jurisdiction, could properly help the municipalities with their very serious and mounting financial responsibilities.

One that I call to the minister's attention as a possibility deserving very serious attention is that of exempting the residents of municipalities from payment of income tax on the money which they pay in the form of taxes to their own municipalities. The property owner and the tenant have to pay taxes to the municipality, and that tax which is a tax, as I say, to a government with jurisdiction in its own field, is not allowed as a deduction when that same person computes his taxable income, and the effect is that he pays income tax on the money which he has earned with which to pay his property tax so that he pays a tax on a tax. That seems to me to be a very inequitable principle of public finance wherever it occurs.

We have good precedents in other jurisdictions for the allowance of exemption from taxable income of all taxes paid to other governments in the United States, and I should like to refer briefly to their method of dealing with this situation. The taxes paid to state and local governments are generally allowed as deductions from income which is taxed by the federal government. I quote briefly from the Canadian tax foundation tax memo of March of this year. While I am using their material I should like to commend this tax foundation, which is entirely non-partisan in its operation, which studies tax laws and their effect on a community from a scientific point of view with the idea that they shall be just and equitable and bear as lightly as possible. They say with respect to these taxes which are exempt:

> This by Canadian standards is perhaps the most unusual of the deductions available to individual taxpayers in the United States.
>
> Approximately two-thirds of the states as well as a number of major cities levy personal income taxes and the taxpayer is entitled to deduct these taxes in calculating net income.
>
> Other taxes levied by state and local governments are generally deductible only by the person upon whom they are imposed by the taxing statute but where such taxes are passed on to the consumer, the latter is usually permitted to deduct the tax. As a result state and local gasoline taxes, sales taxes, user taxes, property taxes—

And that is what I am speaking about.

> —property taxes whether levied by a state or by a local government, are regarded as deductible.

It is true that would cost the federal treasury some money. Earlier in this session I endeavoured to get an estimate from the minister as to the amount which would be lost by the federal treasury if real property taxes were allowed as a deduction from taxable income. As I recall it, I also tried to get an estimate of the amount which would be lost if school taxes only were allowed as a deduction from taxable income; but the minister did not see fit to estimate or to hazard a guess. Perhaps it is just as well, because, as I read the debate of last night, at one stage the minister was attempting to minimize the increase in the last 10 years of the federal government's take from the people of Canada in the form of taxes, and he allowed himself a margin of from 10 per cent to 25 per cent, and later had to admit that he was $300 million on the short

side. In any event, all of this money which is taken from the municipal taxpayer and which is taxable in the hands of the municipal taxpayer has been paid by him to the municipal government by way of property taxes and then he has to find additional money to pay the tax on that tax. The effect is that since most city and municipal taxpayers are also income taxpayers, from 16 per cent to the upper bracket of our income taxation, which is between 80 per cent and 95 per cent—I am not just sure where it stands now because it is not a consideration for most of us—is paid twice to different governments, and yet it is not earned twice. If that is too costly a deduction, it seems to me that, in line with what has been said here about education today, the federal government might very properly consider allowing the school tax at least as a deduction from taxable income in the federal income tax field. That undoubtedly would cost some money. It would have the effect of leaving in the hands of the city taxpayers money which they do not retain now, and it would make it much easier for them to bear the burden of mounting city taxes, and there is no question that city taxes and municipal taxes generally are mounting.

This problem is one part of a broader problem which I do not propose to discuss at this time, namely, the fiscal relationships between the federal government and the provinces and, through the provinces, of course, the municipalities are affected. However, to keep the matter in perspective, I would like to state the problem as I see it; it is very neatly stated in a recent publication of the Canadian tax foundation in better words than I can pick at random. Therefore, I take the opportunity of quoting from the federal-provincial tax negotiations, an interim report, published by the Canadian Tax Foundation.

> In the background are the inequalities of government financial resources which reflect the imbalances of the Canadian economy and terrain.

After dealing with these inequalities these words are said about this particular problem:

> Important as are these regional disabilities a far more universal problem arises from the seam-stretching strains on all provincial and municipal governments caused by a snowballing population and a booming economy. Provincial and municipal politicians, trapped between mounting requirements for essential facilities and services on one side and the impenetrable wall of federal taxation on the other,—

And I think these words are particularly apt.

> —have been howling in frustrated wrath. And well they might, too, for theirs is a serious predicament. It is amply evident even to the casual observer that the stagnation of the depression and the immobility of the war period left the junior governments in poor shape to cope with the volcanic eruption of the postwar years. A decade of striving since 1945 seems only to have revealed the magnitude of the job yet to be done. Given peace and prosperity the provinces and municipalities will henceforth bear the brunt of the cost of providing expanded government services and facilities for a rapidly growing country, whereas their revenue sources, being less elastic, will rise more slowly than those of the federal government.

That is the problem which is the subject of negotiations not yet terminated, negotiations which have been renewed every five years since the war and are a perennial problem of our federal system. This resolution suggests there is something the government can and probably should do until an interim solution to that problem is reached.

I want to add a few figures to those which have been given here. Several sets of figures have been given to show how the taxation of the federal government has risen during the past 15 or 20 years in comparison with expenditures of provincial and municipal governments. I should like to relate the tax receipts of these governments to the gross national product because, after all, that is the important thing. How much of the gross national product, the sum total of goods and services available in the country, is being taken by the respective governments? I will give figures for two periods, 1929 and 1954.

In 1929 the government of Canada took 6·4 per cent of the gross national product and the provincial and municipal governments together took 8·7 per cent, slightly more than what was taken by the government of Canada. Now, the figures for 1954 are quite different. In 1954 the government of Canada took 19 per cent of the gross national product and the municipal and provincial governments jointly took 8·5 per cent, less than half as much as was taken by the federal government.

It is true that these figures do not take into account federal transfers and the minister can properly correct them to the extent of the transfer payments which are made under our present system. The figures do illustrate very graphically and emphatically, I think, the change which the years have brought.

It has been suggested that the responsibility and need is swinging the other way apart from depression or war and perhaps the governments concerned will find a means of revising our fiscal arrangements to give effect to that when these negotiations are concluded; but in the meantime the problem remains and it is an immediate and pressing problem, one which this resolution suggests should be given attention today and not when the fiscal relations between the governments have been settled.

If any emphasis were needed to bring this matter home it is to be found in a good many

places. The Ontario government a few weeks ago in its submission to the royal commission investigating the economic future of Canada has two very emphatic paragraphs which relate the concentration of industry and population in the province to the costs of the province in carrying out its operations. The first paragraph reads as follows:

> Because of the concentration of our industry and population, it costs us as a province a great deal of money to operate. There are times, with the present distribution of tax revenues, when the province is obliged to make a substantial outlay for services which earn a large federal revenue but yield a very small return to the province. Often we are faced with deciding on an expenditure to stimulate expansion and development, when in fact it does not pay us as a province to spend the money, owing to our small return from corporation and personal income taxes.
>
> This is not a satisfactory situation. It is one of the anomalies of our tax system that the federal government derives by far the larger proportion of tax revenue from our natural resource industries though these resources are vested in the province, which is committed to very large expenditures for their conservation and development.

The premier of Ontario in the legislature on March 12, 1956, expressed the same idea a little more emphatically in these words:

> I tell this house today that the federal government has deplorably failed to assess the needs of the provinces and their municipalities which are the right arm of peacetime development and expansion. They are as wrong in this as they were in the attitude of 1945 and 1950. The unfortunate part is that this matter is urgent, that our taxpayers are being overwhelmed because they are being deprived of their fair share of the revenues which come from the very production which causes our problems. That the federal government will be proved wrong again I have no doubt, but it is my hope that it will not be too late, before they find they are wrong, unfair and unjust to the provinces.

Now, making due allowances, that is a very clear and emphatic statement from the provincial point of view.

The solution of this particular problem is a pressing responsibility. Perhaps the problem of the provinces may be left to another time but I submit that this house is not justified in any such complacency.

The scale of assistance which is given by Ontario to its municipalities, for example, is perhaps worth noting. Again I say that I use my own province and city to illustrate these points and I am sure hon. members will have equally useful examples in their own experience and from their own localities.

The assistance to municipalities, school boards and other local agencies will be $185 million, which is $21·5 million or 13 per cent more than in 1955-56. This is from the budget recently presented in the Ontario legislature which calls for an expenditure of $420 million. Of that amount $185 million is to be paid to municipalities, school boards and other local agencies. This gives point to the adjective "mounting" financial problems which appears in the resolution.

The hon. member for York Centre criticized the provincial government in its dealing with the problem of municipalities. He does not suggest any means by which it can do better than that amount. He criticizes the division of the provincial grants as between roads and education but it is apparent that the limits of taxation of the province are very nearly reached if duplication is not to occur.

I have just one other illustration of this problem. My illustration is drawn from the metropolitan budget for this year. It requires a levy of $44 million on taxpayers of which almost 68 per cent will be devoted to education and social services. In addition there are other sources of revenue amounting to approximately $30 million making up the total of metropolitan Toronto's expenditures. I shall now read an extract from an article which appeared in the press recently:

> Finance commissioner G. Arthur Lascelles described the amounts for education and social services as inequitable and burdensome. The need for increased provincial financial aid in these fields is apparent, he contended.

That is the situation confronting the metropolitan council in Toronto. We have a fourth range of government, the city of Toronto council, and their problem is very similar. In their budget this year they are faced with the necessity of increasing taxes and it is due to what has been so well described here as the insufficiency of their tax resources as compared to their mounting responsibilities.

The inaction of the government in the face of these facts is the subject of this resolution. For some years the government has been developing a centralism—or an "ego-centralism" if I may coin a word—in its general approach to the local governments, and that attitude is a sufficient basis for this motion of criticism and censure. It is only one of many bases which make us question and which destroy our confidence in the government's efforts to solve the problem.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, a good deal has been said on this motion and I am going to be quite brief in my remarks in support of the amendment and the subamendment. We in this group intend to support the amendment as indicating interest and concern over this pressing problem, but in our opinion its proposals are not definitive enough. That is one reason why the hon. member for Saskatoon (Mr. Knight) moved a subamendment, to at least pinpoint one of the major issues surrounding this problem. In other words, we support

the spirit and purpose of the amendment and welcome the opportunity to discuss this problem which is of such growing importance to municipalities across this country.

Before going on with my few brief remarks may I say that I enjoyed the speech of the hon. member for Cape Breton South (Mr. Gillis). I think he made a solid contribution to the debate. He did particularly well in focussing attention on the hard core of this question, which in the opinion of this group is the increasing cost of education, of maintaining the unemployed employables and of health and welfare services.

I think all of us in this group agree with him when he says that it is a thoroughly unsound principle for governments to be taxing one another. In our opinion the elimination of the excise and sales taxes would not provide any substantial or worth-while relief to municipalities, nor would the payment by the federal government of full municipal taxes on federal properties be much of a contribution to the exchequers of the municipalities. It must be remembered that a great majority of the municipalities in this dominion would not receive any extra assistance in that way. While we support the proposals as offering some minor relief to the municipalities, we in this group think they are totally inadequate in providing a solution to the problem.

We support the representations made by hon. members in support of reviving the Municipal Improvements Assistance Act. I cannot understand why the government does not revive this legislation which would permit municipalities to borrow at low interest the money necessary to undertake self-liquidating projects.

I know in some of the municipalities in the constituency which I have the honour to represent there are a number of projects which could be undertaken if money could be borrowed under the terms of that legislation. In Trail there is a necessity for the lengthening and extension of the river wall for protection against floods. An undertaking of that sort would be most expensive and could be financed by the city only under such arrangement as this act. Then there are necessary improvements to streets and the provision of required drainage in the main part of the city. I know the city of Nelson has certain public works and improvements in the form of roads and things of that sort under consideration which could be undertaken if this act were re-introduced.

My ebullient and effervescent and effusive friend—I think I am safe in terming him that—the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) suggested that our constitution and our present financial arrangements were brought about in the horse and buggy days. I think it is the extension of communications, particularly the automobile, which has created many new problems for our municipalities. As the hon. member mentioned, there are many people living in one municipality but who are creating costs in another municipality because of the attendance of their children in school there.

I might say that I have always had a lot of trouble with my false teeth since I left the Liberal party. They seem as if they always want to fall out when I get on certain subjects. I am having difficulty just now and I apologize for the trouble I am having in speaking.

Other costs borne by the municipality have increased substantially because the increase in educational standards, health and welfare standards and the wider acceptance of social responsibility for the maintenance of the unemployed. But the main problem of the municipality, as stated by the hon. member for Cape Breton South, is that created by educational costs, increased health and welfare costs and the increased cost of maintaining the unemployed employables. We believe that that is the core of the situation. Those are important services which must be maintained but which cannot be maintained on an adequate basis by the municipalities if they do not receive some additional assistance from the federal and provincial governments.

I believe in orderly democratic procedure. We hear some hon. members speaking as though this government should make direct grants to the municipalities. I do not believe in that sort of thing. I believe in the continued acceptance of the established chain of responsibility from the federal government to the provincial government and from the provincial government to the municipality. In my opinion if the federal government started to tinker around with plans which meant dealing directly with the municipalities without the co-operation of the provincial governments or through the provincial governments the whole financial situation could become chaotic. I believe further in the administration of government at the lowest level of government capable of undertaking the task. I think that is how a sound democracy is maintained.

If we believe in these principles, and knowing what the problem is today, I think we will realize that it is only a financial problem. I do not mean that it is a problem which is going to be solved by crackpots or jackpots; it will have to be solved as the result of sound procedures on the part of the governments concerned. I think the members

of all governments, whether federal or provincial, should continually bring to the attention of the public the fact that no government gives anyone anything without first taking it away from the people.

It is simply a question of the scientific redistribution of the taxes collected from the people as a whole. In my opinion grants that are earmarked for educational purposes, health and welfare purposes and the maintenance of unemployed employables should be made to the municipalities through the provincial governments. To me it is simply a question of federal-provincial-municipal co-operation and agreement in the allocating of financial responsibility for the various services performed by the several levels of government.

I want to make this point because I believe that success in solving the problems of the municipalities depends upon the honesty of approach by all the governments concerned. It should be a strictly non-partisan approach. If the problem is not faced in that way by the provincial and federal governments then the municipalities are not going to be rescued from their present financial difficulties for a long time to come. I strongly urge all governments associated in dealing with this problem to face it on a strictly non-partisan basis in the interests of the people we are all trying to serve.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I know that the hon. member for Kootenay West would forgive me for making a personal remark about himself, since he did so. He spoke of the difficulty that he has when he comes to speak about the Liberal party, in that his false teeth tend to fall out at that particular moment. It may well be that the false teeth are pure gold and know what they are doing and that they object to my hon. friend speaking against the Liberal party.

There seems to be a misapprehension as to the real purpose of the amendment and the subamendment. I take it that the hon. member for Greenwood (Mr. Macdonnell), in his speech yesterday, tried to bring the discussion back whence it had gone, even in my speech, pointing out that the real kernel of the resolution is in the opening words rather than the final words, and that this is a request that we should do something to assist the municipalities of Canada to meet the mounting financial problems. That is a generalization, and the point was made that this is a much broader problem than merely a question of whether the government should pay taxes on property held in municipalities or whether we should tax them for sales tax on their purchases and so on.

Yet the final speaker, the hon. member for Kootenay West, said he believed in the chain of command, that he did not believe in the federal government intervening with the municipalities except through the provinces. Under those conditions he would probably agree that he should not support this motion, because it does request this government to do something other than what is being done at the present time in the chain of command.

Mr. Nowlan: Could that not be done through the chain of command in the provinces?

Mr. Harris: As I had occasion in my budget speech to say, more conferences with the provinces were held in the past 12 months than in almost as many years before that.

Mr. Pallett: At whose instance?

Mr. Harris: At the instance of this government, because we knew that we had to hold these conferences in order to make suitable financial arrangements for the coming period of five years. During that time it had not occurred to us that we ought to ask the provinces to rearrange their financial arrangements with the municipalities. After all, the chain of command does not work, if I might use the words of my hon. friend. I repeat what I said yesterday. While it is true that the provincial governments brought with them during these last two conferences representatives of the mayors and reeves of the various municipalities, it was for the purpose of observing the proceedings and learning from the proceedings the financial arrangements that are now being made between the federal government and the provinces. It was not for the purpose of joining into the conference to participate in it and to advance their particular point of view.

In those conferences, it should not be forgotten, we ultimately offered to the provinces terms which, with a certain amount of uncertainty, in our estimate will yield them over $100 million to $130 million more next year than they would have received without that offer. It seems to me that this opens up quite a field of assistance to the municipalities, should the provinces desire to use the money in that way.

I recognize the point made by my hon. friend from St. Paul's (Mr. Michener) that the revenues of provincial governments, while mounting, may not be mounting any faster than their expenditures, but let me point out that the growth of population, which has the effect on municipal corporations of requiring them to borrow money in order to build schools and to extend public services, nevertheless has a direct result on this government as well. Our costs go up with every baby born in this country and our costs continue

to go up because of the lengthening age, fortunately, of our people. This government has assumed responsibilities which are commensurate with and are the direct result of the growth of population, and we need money for that purpose too.

The point has been made this afternoon, about the Municipal Improvements Assistance Act, that this should not be allowed to lapse. I thought I had given some reasons yesterday for its existence in 1938, and I am sure that, if the purposes of that occasion were correctly stated, we do not need it at the present time. On the other hand, it has been argued that this government ought to provide, in any event, a subsidy on municipal financing; in other words, that some municipalities who are in a position to borrow money on our guarantee along with the province should be subsidized by someone, presumably the federal treasury, for whatever rate of interest the money would cost over and above the two per cent.

I am not proposing to draw a comparison between the interest rate of 1938 and the present rate but I do suppose that, if I did, the two per cent would be somewhat unrealistic. It would, at any rate, mean that, if we brought this act into being and if the act cost us money, again we would be providing the municipal corporations with money at two per cent which now would cost them otherwise probably 3⅜ per cent to 4½ per cent, perhaps even higher than that, and that we would be expected to pay the difference. Under these circumstances would it not appear that we would be subsidizing only those municipalities which could conform to the purposes of the statute, namely, to provide certain self-liquidating projects for the purposes of employment, whereas perhaps hundreds, if not a great many of the 4,000 municipalities in Canada, would not be able to participate and we would be in the position of granting, as I said, a subsidy to particular municipalities? I think that would be unsound.

It should not be forgotten either that there is a certain lack of logic in the argument that we should pay full taxes on municipal corporations and yet we should exempt them from taxation. If I merely stated it in that manner, it might indicate that I ought to make a choice of one or the other, but the purpose of the—

Mr. Knowles: Is it not possible to do both?

Mr. Harris: The purpose of the Municipal Grants Act surely has been gone into at sufficient length to indicate that the intention was to share the burden in those municipalities where there was a great concentration of federal properties, so much so that it would be unfair in those municipalities to have the local taxpayer pay the full cost of federal services.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Harris: Mr. Speaker, I have the great pleasure of addressing two of the hon. members in the opposition at least and you as well. At six o'clock I was referring briefly to the Municipal Improvements Assistance Act. I want to make only one more reference to it. In the cost of all projects, whether they be part of a municipal, provincial or federal spending, there should be an item of relative need having regard to other items before the taxing bodies. Municipal corporations, if subsidized in this manner, would perhaps engage in activities which they would feel they ought in fact to carry out at that time rather than later, to make sure that the subsidy limit was available. Indeed, some of our provincial premiers—and I think what they have said has been repeated in the house by opposition members—have complained of features of our offers to the provincial government as being conditional and that these imposed upon them the choice of rejecting much-desired projects or of accepting them at a time when they really otherwise would not carry them out because of their financial position. For these reasons, and bearing in mind the fact that if one subsidizes a municipality I presume one should subsidize a provincial government,—at any rate, there is no logic in doing the one and not the other—I think we ought to go back to the first principle of the Municipal Improvements Assistance Act which was to stimulate employment at a time when public works was the recognized method of doing that. That was the reason at that time and it would still be the reason for the use of this particular statute.

The hon. member for St. Paul's (Mr. Michener), as I recall it—although I was not able to listen too directly to what he said—made some passing reference to the possibility of deduction of municipal taxes from federal taxes. This, I take it, was an argument that property taxes ought to be a credit on federal income tax or something of that kind. This proposal has not been brought forward in this session previously, as I recall it, although we have had it at other sessions. I have often wondered why it has been recommended because obviously it must be to the great advantage of those of our citizens who have substantial incomes. Surely the tax deduction

for income tax purposes of a person whose municipal taxes would run to $1,000 because he lived in an expensive home is of greater advantage as compared to the deduction which would be available to the modest householder whose tax would be $100, $200 or perhaps $300.

I think the hon. member for Cape Breton South (Mr. Gillis) probably made the speech that I might have made, although he came to a different conclusion than I would have come to. His criticism of the main amendment was that the real advantage to the municipal corporations is not by reason of tax exemption with regard to sales tax nor by reason of this government paying full taxes on its property but rather because of the relative advantage to be gained by municipal corporations by welfare services which are being provided by this government. If one thinks of the period we are talking about and the Municipal Improvements Assistance Act, 1938, and recalls that the amount paid by the federal government at that time to a municipal corporation was I think $20 for old age pensions and that today it is $40;—

Mr. Macdonnell: Its income was then one-tenth as much as it is today.

Mr. Harris: —and if you recall as well that we now pay family allowances; and if you recall as well that we offer—and the provincial governments accept—certain grants to hospitals and the like which are a great aid to municipal corporations; and if you recall as well that on the order paper, in the name of my colleague the Minister of National Health and Welfare (Mr. Martin) there is a motion which would provide for even greater assistance to the provinces in certain needy cases which would undoubtedly remove some of the cost of providing these services which is borne by the municipal corporation, it must be evident that this government is doing a great deal to aid municipalities.

There is little that I can add, Mr. Speaker, except to say that the question of sales tax is always being considered by the Minister of Finance (Mr. Harris) in order to see that, first, the tax is properly based; and second, that if there are exemptions, those exemptions extend within the proper area. We shall continue to consider the sales tax from time to time.

I should also say what I said last year with respect to the Municipal Grants Act. The experience we gained as the result of paying in to these municipal corporations where the assessment was over 4 per cent of the total, was useful in deciding that we could reduce that percentage to 2 per cent. At the time I said that I should like to have experience at the 2 per cent level before deciding what other step might be taken. Since I cannot go any further than that, I shall content myself by saying that it seems to me that the hon. member for Kootenay West (Mr. Herridge) and I might have been a little bit unfortunate in our use of the phrase "chain of command". There is no chain of command from Ottawa through the provincial governments down to the municipal corporations. On the contrary, I rejected the suggestion of the hon. member for Peace River (Mr. Low) that there ought to be direction from this house to the municipal corporations. What we have in Canada, Mr. Speaker, is a constitution which wisely divides the taxing powers between the federal government and the provincial government. I think we would all get along a good deal better if we did our utmost to observe those rules as best we possibly can.

Mr. Knowles: Would the minister permit a question?

Mr. Harris: Yes.

Mr. Knowles: Before his time runs out will the minister tell us where the government stands on the subamendment having to do with federal aid to education?

Mr. Harris: Mr. Speaker, the question of federal aid to education has been discussed in the house almost every session since the war. I think we have made it clear that we make substantial contributions in the direct field of Indian education as we are obliged to do. In that connection I may say that my colleague the Minister of Citizenship and Immigration (Mr. Pickersgill) is making great strides in making arrangements with provincial governments for the teaching of Indian children in the provincial schools of the provinces. I think we ought to encourage that procedure. The hon. member for Saskatoon (Mr. Knight) raised the subject. I point out that we make grants to vocational training. We make grants of scholarships, bursaries and the like. We vote some $7 million to higher education. Those are all grants which I think the house has supported; indeed I think it has perhaps criticized them for their not being sufficient.

Mr. Speaker: Order. As it is ten minutes after eight,—

Mr. Knowles: Saved by the clock.

Mr. Macdonnell: Saved by the bell.

Mr. Speaker: —under the provisions of standing order 56, I must forthwith put the question on the following amendments.

Proposed Tax Relief for Municipalities

The house divided on the amendment to the amendment (Mr. Knight) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Blackmore
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McGregor
McLeod
Mitchell (London)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Quelch
Rea
Regier
Robinson (Bruce)
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—61.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
Maltais
Mang
Marler
Martin
Masse
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Philpott
Pickersgill
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Weaver
Weselak
White (Waterloo South)
Winters—132.

Mr. Speaker: I declare the amendment to the amendment to the main motion lost. The question is now on the amendment to the main motion.

The house divided on the amendment (Mr. Drew) which was negatived on the following division:

YEAS

Messrs:

Argue
Balcer
Barnett
Blackmore
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Fairclough, Mrs.
Fraser (Peterborough)
Fulton
Gillis
Green
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hansell
Hees
Herridge
Hodgson
Holowach
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McGregor
McLeod
Michener
Mitchell (London)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Poulin
Quelch
Rea
Regier
Robinson (Bruce)
Smith (Battle River-Camrose)
Stanton
Starr
Stewart (Winnipeg North)
Thomas
Tustin
Van Horne

White (Hastings-Frontenac)
White (Middlesex East)
Yuill
Zaplitny—64.

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kickham
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McMillan
Maltais
Mang
Marler
Martin
Masse
Menard
Meunier
Michaud
Mitchell (Sudbury)
Monette
Philpott
Pickersgill
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Stick
Stuart (Charlotte)
Studer
Thibault
Tucker
Weaver
Weselak
White (Waterloo South)
Winters—132.

Motion (Mr. Harris) agreed to and the house went into committee, Mr. Robinson (Simcoe East) in the chair.

Farm Improvement Loans Act

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF FINANCE

General administration—

116. Departmental administration, $2,035,230.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

292. Departmental administration, $543,934.

PRIVY COUNCIL

Privy council office—

328. General administration, $405,184.

Proceedings reported.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS TO PROVIDE FOR NEW THREE-YEAR POOL, MAXIMUM GUARANTEE OF LOANS, ETC.

The house in committee on Bill No. 208, to amend the Farm Improvement Loans Act—Mr. Harris—Mr. Robinson (Simcoe East) in the chair.

Clause 1 agreed to.

On clause 2.

Some hon. Members: Carried.

Mr. Charlton: Is the minister suggesting any change in this clause?

Mr. Harris: I understand that the clause extends the time in which applications can be made for three years. It was not my intention to suggest an amendment to the bill.

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*False statement in application for loan or misuse of loan.*

Some hon. Members: Carried.

Mr. Charlton: This clause provides a penalty of $500 upon conviction for the giving of false information with regard to a loan. This seems to me to be rather severe. Can the minister state whether there have been convictions under this clause?

Mr. Harris: I was not a member of the banking and commerce committee, as I believe my friend was, but my recollection is that there have been no convictions although I would not be sure as to that. I would point out that the penalty clause states "not more than five hundred dollars" and I doubt if a magistrate would impose the maximum penalty.

Mr. Pallett: This clause reads:

Any person who makes a statement in an application for a guaranteed farm improvement loan that is false in any material respect—

My understanding is that in order to obtain a conviction in criminal proceedings intention must be shown, but under this section it would be possible for a person to be convicted for a mere inadvertence in making a statement. I suggest that it should be necessary that intention be proved.

Mr. Harris: Intent to deceive is always part of any crime of this kind. If the magistrate found that in fact there was no such intent I doubt if there would be a conviction.

Mr. Pallett: The magistrate might not have any option under this legislation. This is not the Criminal Code where there would be the benefit of such protection; this is a separate act and if the prosecution insisted the magistrate would not have any alternative. I think this clause should be reconsidered before it is allowed to pass in its present form.

Mr. Harris: With the exception of the underlined words this is the form in which the clause has been for some time and I have not heard of any complaints in the house about prosecutions under it.

Mr. Fulton: Why is the time for prosecution extended? Has there been any experience which indicates that the government or the minister with all the resources at their command have not been able to prosecute within the time now provided?

Mr. Harris: I do not understand.

Mr. Fulton: If the minister will read the explanatory note he will see that one purpose is to extend the time for prosecution; it provides that prosecution may be brought within a year.

Mr. Harris: We are extending the act for three years and we are extending the time for prosecutions under the act for the same period of time.

Mr. Fulton: You are extending the time within which a prosecution may be brought to one year. You are not extending it to three years. I wonder if the minister has read the act any better than his colleagues who are shouting "Carried, carried," before they have even brought it out from under their desks. Has the minister any explanation of the reason why the time within which the prosecution shall be brought shall be extended to one year?

Mr. Harris: As I understand it, the proceedings must be brought within 12 months of the alleged offence. The 12-month limit dates from the time the offence is committed.

Mr. Fulton: What is the reason for the extension?

[Mr. Pallett.]

Mr. Harris: The reason is that we are extending the act for a three-year period of time and we want a penalty clause for that three-year period of time, and we have a 12-month period after the time of the alleged offence.

Mr. Fulton: That is the extension of time, surely, because there is no other extension of time provided for in that section, but you are saying that the whole section with regard to the time limit is amended, and it is now provided that the proceedings for the offence may be commenced at any time within 12 months from the day on which the evidence comes to the knowledge of the minister. It is stated in the explanatory note that it is an extension of the time in which prosecutions may be brought. I am asking the reason for that extension. Is it the experience that some lesser period was not sufficient to enable some prosecutions to be brought?

Mr. Harris: Perhaps I have not understood my hon. friend's objections. The act would come to an end on March 31, 1959, and we should have a period in which to prosecute after that. There should also be in the act, I should think—and I think my hon. friend will agree with me—a period of time beyond which the minister is not in a position to prosecute. That is fixed by the act, being 12 months after the minister becomes aware of the alleged infraction of the regulation.

Mr. Hamilton (York West): I should like to refer to that point which the minister seemed to pass over very quickly here, and that is that the time limit provided is not 12 months after the commission of the offence. It is provided here that it is 12 months from the time that the evidence comes to the attention of the minister.

Mr. Harris: That is right.

Mr. Hamilton (York West): In this case there could be no limitation whatsoever on the time within which a prosecution might be launched. In addition, the act further provides that a secondary type of evidence will be satisfactory to prove that date. I think this is a very serious matter. If it is the intention to allow an unspecified time, which in fact is being done, for launching this prosecution, then surely the court should require, or this regulation should provide, that the court should give primary evidence as to the time when the evidence was available to the department to launch the prosecution. I do not think it should be done on a simple signature of the minister as saying at which time it was brought to his attention. It seems to me that evidence of this kind

snould be available in a department for several years before it might come to the attention of the minister. It might be available to senior officials in his department, and nothing might be done about it. If there is to be a blanket period allowed, then in the best principles of justice primary evidence should be required that someone in the department should be available in court to indicate when that evidence first became available to the department to launch the prosecution.

Mr. Nowlan: I would support what the hon. member for Peel said a few moments ago. It is true, as the minister points out, that the section is relatively in the same wording as heretofore, to the effect that any person who makes a statement that is false in any material respect is guilty of an offence, and so on. But I suggest that the mere fact that we have been wrong, or this parliament has been wrong, in passing legislation before is no reason why we should be wrong again. I should think the Minister of Justice, with his experience in dealing with the Criminal Code and the administration of justice generally, whatever he may be constrained to say or not to say when this particularly is before the house, would feel it should be a matter of knowingly making a false statement. What is meant by a false statement? Is it an incorrect statement? There is no definition. If it means that there is something maliciously or misleadingly wrong, that is one thing, but it states here:

> Any person who makes a statement . . . that is false in any material respect . . .

I suggest that that is going much further than the law should go in dealing with an offence such as this. I am sure the Minister of Justice has read the statement made by the attorney general of Nova Scotia in the legislature two weeks ago in which he deplored the action of this parliament in reversing the old doctrine. He said that in dealing with matters of that kind the common law and the old principles on which our law is based have been largely abrogated, and he suggested that this House of Commons had been more delinquent than any other parliament in that respect. Although the Nova Scotia legislature was responsible for some of the legislation, he also inferred, and I do not know how he justified it, that it was wrong in principle and something should be done about it. It is still in this section. If a man makes a loan of $500 and he uses $15 for something else, is he going to be liable to prosecution or liable to a fine of $500 a year or ten years after the loan was made? I think this section is going much further. It is part of a trend in statutory law to shift the burden of proof so that it is possible to convict on less substantial evidence. I want to register my protest. I think the minister should reconsider it and take it up with the Department of Justice to see if some amendment, without interfering with the principle, could be incorporated in the section that would safeguard the rights of the individual for fair trial, and one which does not abrogate all the principles of criminal law and quasi-criminal law on which our courts have operated in the past.

Mr. Fulton: I wanted to discuss further the point I had raised with the minister, because apparently he and I are not talking about the same point. I appreciate that, if the operation of the act is to be extended in time, then obviously all the provisions of the act have to be extended; but, if I understand the explanatory note correctly, this is not merely a provision of that nature. This is a change of law. It is a change the effect of which is to provide that a prosecution may be launched at any time within 12 months after the evidence upon which that prosecution is based has come to the attention of the minister.

According to the notes to the bill, it is an entirely new provision, not merely extending the time, which already exists; but it is adding a new provision to the act. I do not know the purpose of it. The minister has not yet been able to satisfy us that there is any purpose for it because, as I say, he has not been discussing it on the basis which I now suggest is the basis upon which it rests, and which I question.

Further, it is provided by a new proposed subsection that a document purporting to have been issued by the minister or by any person on his behalf shall be received in evidence without proof of the signature or of the official status of the person purporting to have been acting under the minister—again, a very considerable extension of the law, and a new one in so far as this act, the Farm Improvement Loans Act, is concerned. What is the reason? Is it that the government has cause to believe that there have been numbers of frauds in connection with this act in the past which they have not been able to prosecute effectively? Or have they just dreamed up some idea in accordance with some theory of their own that they are going to strike terror into the hearts of all potential wrongdoers and incidentally to discharge people from making applications for loans under this act because of the extremely stringent provisions that are now being included in the act for the first time? What is the purpose of these two new sections which are proposed to be added by this section 5? We have had absolutely no explanation of that matter.

Mr. Harris: My friend the hon. member for Kamloops seems to suffer from nightmares more than most of us.

Mr. Fulton: I am obliged to look at what is opposite me. You can hardly blame me.

Mr. Harris: He can imagine every form of discreditable thought that I have heard expressed in this house with regard to the intentions of the government in what, after all, is advantageous legislation for the farmers of this country. The purpose of these sections is self-evident to anyone even without legal training such as that which my hon. friend has. They provide that the minister in charge of this act may certify, and that the certificate may be received in evidence, that knowledge of the offence, namely wrongful expenditures of the proceeds of the taxpayers' money used for this purpose or a declaration made falsely—and not anything short of falsely, may I point out—in a material point has come to hand at a particular date; and the minister then has 12 months from that date in which to launch a prosecution. I cannot paraphrase the words any more plainly than that. So far as I know,—and as I said, I am not certain of this—we have not had prosecutions under the act; certainly we have not had any that have been brought to my attention.

Mr. Nowlan: Would the minister comment on how that affects the statute of limitations so far as ordinary prosecutions are concerned? Does this not extend it much beyond the limit?

Mr. Harris: I think I will ask the Minister of Justice to answer that question. But the 12 months' restriction on the minister concerned is surely a restriction in favour of the applicant and not something in favour of the minister.

Mr. Nowlan: It is 12 months from the time he gets the information. That might be two or three years.

Mr. Harris: That is quite correct. I can assure hon. members opposite that in all of the representations that I had on behalf of this bill, there was expressed the most earnest desire that we should make additional benefits available to the farm community. I do not recall anyone's saying that the administration of the act had been harsh, repressive or anything like that. Indeed, I received a good many compliments with regard to it.

Mr. Fulton: That is exactly why we want to know why these new and unusual provisions are added. The minister has not explained that point. He has not said a word about it. He and I may spar and duel. I will try not to be too provocative in what I have to say. If I have been provocative previously, I shall try to change my tactics. I am at a loss to understand why it is considered desirable to add these sections. Surely the government must have some purpose in mind or must have had some experience on the basis of which it thinks that these sections are desirable. They are new, they are unusual and they are different. They are entirely out of keeping, as I understand it, with the previous provisions of the act which is now being amended. What experience has given rise to these sections or what purpose is intended to be accomplished by these sections? Why are they necessary?

Mr. Harris: Mr. Chairman, I will try once again. In every statute in which there must be penalties, I suggest that good draftsmanship would require a limitation of time on prosecutions under the act. We have here a statement that the minister cannot, after he comes into possession of information which would lead him to suppose that there has been a violation of the act, allow time to run indefinitely. He must launch his prosecution within 12 months. That provision I think is advantageous to the borrower. I cannot see why it is not. It should be pointed out that the new sections that we are talking about are just two in number, namely the 12-month period and the question of certificate of proof. In this kind of statute it is not uncommon to provide that the certificate of a minister will be taken for what, after all, is a relatively minor point and one on which the prosecution would fall from the point of view of the time limit but for no other reason. I cannot suggest to my hon. friend—and I think he perhaps expects that I should—that some minister in the past has launched a prosecution after a period of five or six years and has been criticized by the courts for doing so, because I have no knowledge that such a thing has occurred. Neither have I any knowledge that we have lost a prosecution because a certificate of a minister has not been present. I regret that this is so because I am sure it would help my hon. friend in concluding that these provisions were required and desirable. If my hon. friend will seriously consider the fact that one always tries to make a bill as complete as it should be, I think he will agree that provisions of this kind ought to be imported if they were not imported previously.

Mr. Nowlan: Mr. Chairman, I do not think we should follow the minister's argument in this respect. I say that with all due respect to him. The minister said it is possible that some time somebody has lost a prosecution.

Mr. Harris: I did not say that. I do not know that.

Mr. Nowlan: I understood that he suggested the possibility that it might have happened and that was the reason why this amendment was being introduced at this time. If a prosecution was lost under circumstances such as those suggested, I suggest that it should have been lost. Through you, Mr. Chairman, I ask the minister if this is not the situation now with respect to ordinary criminal prosecutions. I see that we have sitting on the front bench four lawyers who have had a great deal of experience in administration of the law in this country. Let us consider the situation with regard to our Criminal Code and criminal cases. I refer to actual criminal cases, not quasi-criminal cases. I have not the code in front of me and I have been away from it for so long that with the advent of the new code, I am not as familiar with it as I might be. I am not trying to suggest that it does not contain time limits. But I know, for instance, that there is in the limitation act a section which says that prosecutions must be commenced within six months. That is with reference to a certain type of criminal offence. In other cases it is within a year and in others within two years. In other words, there you are dealing with specific criminal offences under the Criminal Code. Yet you have a specific time within which the prosecution must be launched. If it is not launched within that time, it is not started; and if it is started, naturally it fails.

The unique thing about this section, as I read it, is that it provides that prosecutions may be launched within 12 months after the information came to the attention of the minister, or after the minister was satisfied that there was evidence upon which he could launch a prosecution. It might be 10 years after the commission of the offence before something comes to the attention of the minister. Then all he is required to do is to certify under his hand in writing that he obtained this information at such and such a date and, forsooth, we have a prosecution launched although perhaps except for murder and some of the most serious offences under the Criminal Code it would be impossible to do it in connection with any known criminal offence such as those we have defined today.

I make this suggestion seriously to the minister. I know he is dealing with this thing and is trying as best he can to explain the situation. I think possibly he himself is finding some difficulty in rationalizing it. I think there is altogether too much of a tendency to enlarge the law and to make prosecutions easier. Without meaning to cast any reflections on anyone, I think possibly there are in certain government departments those who have responsibility for draftsmanship who feel that it is their bounden duty to do everything they can to make it easier for the prosecution and that, having done that, they have fulfilled their duty to their Queen and country and have earned their salaries. Personally I do not agree with that point of view and I do not think the country generally agrees with it. I am asking that the minister hold up this section to consult with the Minister of Justice to see if this section should not be deleted or at least whether some safeguarding amendment should not be brought into it so that we would be within the framework of the provisions for crimes under the Criminal Code.

The Chairman: Shall the clause carry?

Mr. Pallett: I think we have a responsibility for the final passing of this section of this act. I believe there are enough of us here who know how to read the wording of the act to insert into it the proper words so there cannot be any misunderstanding as to the meaning if the time ever does come when it is before the courts for interpretation. With that in view I am going to suggest the following amendment. I move:

> That subsection 1 of section 8 of the act be amended by inserting after the word "who" in the third line thereof, the words "with intent to defraud".

The section will then read:

> Any person who makes a statement in an application for a guaranteed farm improvement loan that is false in any material respect or who, with intent to defraud—

And so on. This would obviate the necessity for any interpretation being put on the matter by any magistrate.

Amendment (Mr. Pallett) negatived: Yeas, 38; nays 58.

The Chairman: I declare the amendment lost. Shall the clause carry?

Mr. Fulton: I regret that there are so many in the committee who are prepared to provide in legislation of this kind, which is not even criminal legislation, that the ordinary safeguards afforded under the criminal law shall be removed. I hope that my hon. friends opposite will reconsider their position, especially with respect to subclause 2 of clause 5 of the bill now before us. In spite of what the minister has said I suggest, with the utmost earnestness, that in this bill to amend the Farm Improvement Loans Act we are introducing a new quasi-criminal principle which extends far beyond anything which now exists in the Criminal Code for a similar offence punishable on summary proceedings. We are

introducing this principle into a bill in which it has no place, and on a basis which has so far been entirely unjustified.

I am satisfied, Mr. Chairman, that we should not enact legislation of this far-reaching effect unless it has been amply justified. I refer to legislation which changes principles which have been established in the criminal law for a long time, protections and safeguards which have existed for many years. We are asked to set these aside by introducing a principle which not only runs counter to the safeguards that existed before but also asserts such a diametrically opposed principle it should not be adopted except after the most careful consideration and ample explanation. We have had no such justification. I appreciate that the Minister of Finance is considerably embarrassed because, in fact, there is no justification in practice or in experience for this proposal. There is nothing to support it except the idea of some draftsmen in the department that it might be a good idea to write it into the law. I submit, in fact I state positively, it is not a good idea in the absence of some basis of experience which shows it should be put in there.

If the Minister of Finance, the Minister of Agriculture or the Minister of Justice could come before us and say: We have had experience with cases under the Farm Improvement Loans Act where loans have been applied for on the basis of the most fraudulent statements, but because of the complicated nature of the transaction the fraud has not come to light until long after the transaction has been closed; after all that time we find that this fraud has been perpetrated on the government and the people of Canada but because of the passage of time we have been unable to secure a conviction; in fact, we have been unable to even launch a prosecution; if they could tell us that, or anything approaching that, then they would have made a good case for the inclusion of a section such as this.

But without such a case, let us look at what we are asked to do. I think that for the record, Mr. Chairman, perhaps the new subclause should be read out:

> Section 8 of the said act is further amended by adding thereto the following subsections:
> "(3) Proceedings for an offence under this section may be commenced at any time within 12 months from the day on which evidence, sufficient in the opinion of the minister to justify prosecution for the offence, comes to his knowledge."

So, Mr. Chairman, it is not going to be just 12 months after the offence. The offence could have been committed many years ago. It is 12 months after knowledge of the alleged offence comes to light, which extends beyond the bounds of all reason the time within which prosecutions must be brought under the ordinary provisions of the Criminal Code.

Subsection 4 is even more far-reaching. It would read as follows:

> "For the purposes of subsection (3), a document purporting to have been issued by the minister or by any person purporting to be acting on his behalf, certifying as to the day on which the evidence referred to in that section came to the knowledge of the minister, shall be received in evidence as conclusive proof of such fact without proof of the signature or of the official character of the person appearing to have signed the document and without further proof."

So that you have a provision which allows some departmental official, far removed from ultimate responsibility in the matter, to launch a prosecution long after the alleged offence has taken place, long after the facts in the possession of the accused have faded from memory, long after the evidence which would otherwise have been available to the accused has been lost, long after the persons who would otherwise have been available to give evidence have moved away: in other words, long after any opportunity to the accused to defend himself has gone by. This prosecution may be launched on the basis of a document signed by such an official who, as I say, is far-removed from ultimate responsibility in the matter itself. The document purporting to be signed on behalf of the minister requires neither proof of the signature nor of the official character; that is to say the appointment of the person who is purported to sign it on behalf of the minister. Well, nothing could be more radical in the context of the ordinary safeguards of the criminal law which, after all, is designed to secure conviction of criminals but also to provide proper safeguards. Nothing could be more radical than this amendment to the criminal law in the disguise of an amendment to the Farm Improvement Loans Act.

After all, there are reasons why it is provided in the criminal law that prosecutions must be launched within a certain time, because evidence does have a habit of disappearing and accused persons are prejudiced thereby to an equal if not to a greater extent than the crown. The crown has tremendous facilities at its disposal to gather in evidence, to seek out persons who have moved away and to bring them back, facilities out of all proportion compared with those available to an accused person, a person accused 12 years perhaps after the event. It could be possible for that to happen under the provisions that we are now asked to enact. Perhaps I should emphasize that. It might be 20 years after the offence. The 12 months apply only to the time within which the prosecution must be brought after the evidence of the alleged offence has come to the

attention of the minister. That is the reason for those safeguards of those time limits in the criminal law within which prosecution must be brought. An offence of this nature under the Criminal Code, triable under the summary prosecutions section part of the code, must be brought within six months of the date of the offence. I speak subject to correction by those who are more versed in the criminal law than I; but certainly it is a time far more limited than the time which would be available here.

Here we are, sir, in this house, asked by the government to accept legislation of this nature for which not one shadow of justification has been presented to us. We are asking, as the hon. member for Digby-Annapolis-Kings pointed out, four experienced lawyers sitting on the front bench. We admit that this matter has come up somewhat by surprise for the government. Perhaps the Minister of Finance has been shocked to the same extent that we were because of the circumstances under which this matter has come before us, but he has three illustrious colleagues there who are not demanding that he himself give us the answer. There is the Minister of National Defence, who was solicitor general for a time; there is the Prime Minister one seat away from him whose record as a lawyer in Canada requires no illumination or elaboration by me; there is the Minister of Justice sitting a little farther down the row. I am not allowed to impute motives, but if I were, sir, I would suggest that the Minister of Justice wishes he were somewhere else even farther removed from the Minister of Finance. But here are all these lawyers plus others, such as the parliamentary assistant to the Minister of Finance, sitting beside him pretending—

The Chairman: Order. Before the hon. member proceeds to flatter all the lawyers in the house I wonder whether he might return to the principle of the clause?

Mr. Fulton: Well, sir, we laugh. Perhaps it is a good thing that we can laugh sometimes, but actually it is a serious matter because we are asked now without a shadow of justification to enact this clause. That is what I was attempting to emphasize by my reference to the illustrious lawyers and learned gentlemen who sit opposite, not one of whom can volunteer an explanation or a justification for this radical departure that we are asked to write, in effect, into the criminal law of this country under the guise of a simple amendment to the Farm Improvement Loans Act. I therefore move that section 5 be amended by striking out subsection 2 thereof.

Mr. Macdonnell: Mr. Chairman, I am sure you are as surprised as I am myself to find me undertaking to speak about a matter of the criminal law, but I have always been told by those who know more about it than I do that it is supposed to be a matter of common sense and also that it is supposed to embody high principles of conduct. I believe that one does not need to be a skilled lawyer to be shocked, as I am shocked, by reading this and I propose to read it now and then I propose to ask the Prime Minister whether he will tell me if he thinks it is justice. I will read it now.

Mr. St. Laurent (Quebec East): If it is only for the purpose of asking me that question the hon. gentleman can dispense with reading the section.

Mr. Macdonnell: I shall read it, anyway. It was not only for that purpose but I shall read it and I shall ask the Prime Minister—

Mr. St. Laurent (Quebec East): The Prime Minister will not answer the question.

Mr. Macdonnell: I cannot force the Prime Minister to answer. We have regretted in this house for months that we have heard so little from the Prime Minister and this will only be an additional occasion; but I do propose to read this because I think there may be many members within earshot who have not read it.

Mr. Fulton: We thought today we had an undertaking from the Prime Minister to break his self-imposed silence.

Mr. Harris: Every time he does talk you wish he had not.

Mr. Fulton: No.

Mr. Harris: Oh, yes.

Mr. Fulton: No, we are very glad.

An hon. Member: Amen.

An hon. Member: Do you want me to read it for you?

Mr. Macdonnell: I propose to read this now:

(4) For the purposes of subsection (3), a document purporting to have been issued by the minister or by any person purporting to be acting on his behalf—

That broadens it out a bit.

—certifying as to the day on which the evidence referred to in that section came to the knowledge of the minister, shall be received in evidence as conclusive proof of such fact without proof of the signature or of the official character of the person appearing to have signed the document and without further proof.

In other words, it does not need the minister; it simply needs somebody purporting to be acting on his behalf. It does not necessarily mean that the person should actually

be acting on his behalf but merely purporting to be acting on the minister's behalf and apparently even though it should be done without proper authority the wording of this section is such as to give validity to the act.

Mr. Harris: Only with respect to the one thing, the date.

Mr. Macdonnell: That may be a very important matter, I submit, Mr. Chairman. Nobody who reads this who has any common sense will feel that that is justice; and again, although without expectation of reply, I ask the Prime Minister if he considers it is justice.

The Chairman: Order. The hon. member for Greenwood had risen before I received the amendment of the hon. member for Kamloops which I think I should now read and with his permission I will change the word section to the word clause:

I move that clause 5 be amended by striking out subsection 2 thereof.

Mr. Nowlan: Mr. Chairman, before the question is put I would just like to emphasize again for the information of those hon. members who perhaps have not been following this section exactly what is involved in the amendment moved by the hon. member for Kamloops. Subsection 1 says:

Any person who makes a statement in an application . . . is guilty of an offence and liable on summary conviction to a fine of not more than five hundred dollars.

Therefore we have brought into this prosecution, by the enactment of subsection 1, the provisions of the Summary Convictions Act. I think everyone will agree to that. By adopting this amendment we are not doing away with any possibility of a prosecution nor are we abrogating any criminal machinery. One is brought, as one should be brought, under the provisions of the Summary Convictions Act, which is the general act governing all prosecutions in Canada.

What the hon. member for Kamloops has done by his amendment is to suggest that in this prosecution as in virtually all others we should be confined to the provisions of the Summary Convictions Act and not be brought under this startling—and I use that word advisedly—subsection which he is suggesting should be struck out.

If this means anything, Mr. Chairman, I think it means this. If I should make an application today under the Farm Improvement Loans Act and by some strange misfortune the present Minister of Finance should still be in office 20 years from now—

Mr. Harris: Heaven forbid.

[Mr. Macdonnell.]

Mr. Nowlan: That would be a horrible misfortune, almost in keeping with the enactment of legislation such as this—

Mr. Harris: Hear, hear.

Mr. Nowlan: —but if that were the case and he found out about it he would then have 12 months after that in which to certify in writing that I was guilty of this particular offence on such and such a date in 1956.

Mr. Harris: No, no, Mr. Chairman. My hon. friend is surely wrong.

Mr. Nowlan: If I am wrong this section does not mean what it says.

Mr. Harris: The certificate has to do with the certificate of the date on which I find it out and not with the date of the offence.

Mr. Macdonnell: The whole thing hangs on the date.

Mr. Nowlan: It says:

. . . at any time within twelve months from the day on which evidence, sufficient in the opinion of the minister to justify prosecution for the offence, comes to his knowledge.

And that may come 20 years from now.

Mr. Harris: But the certificate I grant is the certificate as to the date on which it came to my attention.

Mr. Nowlan: Yes, and then he has 12 months after that in which to issue a certificate. I suggest to the minister that if he can find a comparable piece of legislation which has been enacted by any parliament in the British commonwealth or elsewhere I would like to know where it is because I do not think there have been very many of this nature where there is such an unlimited time in which to institute a prosecution particularly in view of the fact that we have the summary convictions provision which is the general statute of Canada.

I would hope that the committee and the minister would be prepared to accept the amendment moved by the hon. member for Kamloops and that in the future we will operate as we should operate under the Summary Convictions Act rather than under this strange section.

Mr. Nicholson: Mr. Chairman, before the question is put I would like to express my thanks to the lawyers in the committee. They have demonstrated to me that they not only perform a valuable service when you are in trouble but they can also help you to keep out of trouble.

I do not believe we had any lawyers on the committee which examined this bill and certainly the points brought up tonight were not brought to the attention of the committee.

In view of the fact that this legislation has been in effect now for quite a number of years without any wide attempt on the part of the farmers to abuse it and without the government or the banks having to resort to legislation of this sort, I think it is unfortunate that we are asked to incorporate this section.

As has been pointed out, the wording is:

> Proceedings for an offence under this section may be commenced at any time within twelve months from the day on which evidence, sufficient in the opinion of the minister to justify prosecution for the offence, comes to his knowledge.

It appears to me that this is a very vicious clause. As was pointed out, if information is brought to the attention of the Minister of Finance 20 years from now and if he happens to be the minister at that time it will still be possible to go back all those years.

As the hon. member for Digby-Annapolis-Kings pointed out, section 1 appears to give the crown very complete protection. In view of the fact that this legislation has been so well received I think the penalties imposed in the first clause are quite adequate. I believe the motion which is before us now should be supported.

Mr. Nesbitt: Mr. Chairman, prosecutions which go back into the past have usually been laid at the door of the Department of National Revenue, but if this section were allowed to go through without the amendment moved by the hon. member for Kamloops the board would be able to go far beyond anything ever envisaged by the Department of National Revenue in the income tax business.

In fact, it would seem to me that whoever drafted this legislation must have been reading the very famous novel by Victor Hugo, "Les Misérables", the night before. Hon. members will recall that the hero of that novel, Jean Valjean, who had stolen a loaf of bread, was chased around and hunted by the police years and years later when he had become a respectable citizen, and that is exactly the sort of thing that would take place under this section as it stands at the moment. I cannot really understand what possible objection the hon. members of the government could have to the amendment of my colleague the hon. member for Kamloops.

Mr. Hamilton (York West): Mr. Chairman, this certainly has become a field day for the lawyers—

An hon. Member: God help the country.

Mr. McIvor: They are mixing it up.

Mr. Hamilton (York West): —but I would like to say that I do not wish to disillusion anyone who has spoken about this type of legislation. It so happens that I have defended people under legislation of a very similar or an almost identical character. The thing which worries me here tonight is that we seem to have slipped up in the past. This type of legislation has become almost commonplace.

As I listened to the minister's speech I thought that this was the dangerous point in his little talk. It occurred to me that here was something that was ordinarily found in the draftsmanship of legislation of this type designed to cover situations of this kind. It seems to me it is time we did something about this kind of legislation. If secondary evidence of this kind is going to be admitted in our courts then we will be going back to an autocratic system which is entirely false to the ideals of British justice as we understand them. I might say that it is a fairly frightening experience in a court room to have the prosecutor produce many papers with various seals. I think at this time we should strike a blow and place back in the hands where it belongs the administration of justice.

If this amendment is not acceptable to the committee then I feel that we will be going one further step down the line in connection with the administration of law. If the minister is to be considered a satisfactory person to stand in and complete documents which may in fact convict a person after many years, then I think we will be going beyond the ordinary principles which we should follow in this house. This is not the first time that legislation of this type has been passed by this house, so let us put a stop to it now.

Mr. Churchill: Mr. Chairman, I cannot claim the wide experience in our courts which some of my legal friends have mentioned tonight, but it is easy to see where an error has crept into this particular bill. Someone with a frightfully tidy mind has attempted to bring this bill into line with others of perhaps a similar nature. My understanding is that amendments to statutes are made when there is need to correct something that is wrong, but in regard to this Farm Improvement Loans Act we have not had one bit of evidence that there has been anything seriously wrong in the functioning of the act. Is the implication being made that people who have benefited from this act in the past have taken advantage of it? Have there been a number of loan defaulters? Have there been a number of people who have made false statements on the application forms? That would seem to be implied in the type of amendment which is introduced and which provides such a stringent penalty. Unless the government is prepared to produce

evidence to that effect I do not think the committee should be asked to pass legislation of this character.

If in the past legislation of this nature has been placed on our statute books, this is a good time to call a halt. I certainly would support the amendment moved by the hon. member for Kamloops that this section be stricken out. Obviously this calls for second thought. The act has been on the statute books for a considerable length of time and as far as I know the section has proved equal to the problem it is supposed to meet.

Now suddenly an enlargement is placed before us in order to make it easier for the prosecution as opposed to defaulters under the act. We feel that there is no need to do that as it leaves a loophole for bad action on the part of someone who might have an evil intent some time in the future. I would not expect the Minister of Finance to misuse this particular power, but why place temptation in the way of anyone, particularly when it provides that someone may act on behalf of the minister and sign a document which would be accepted in court as evidence of the transaction. There would be no supervision on the part of the minister with regard to that. In the course of his multifarious duties he might not have time to delve into the matter and all he would know would be that there was an alleged infringement of the provisions of the act and some documents were being forwarded to the proper authorities.

Let us not make the mistake of making it too easy for someone to get someone into trouble. As the hon. member for Digby-Annapolis-Kings pointed out, this might go on for a number of years and evidence be held in abeyance as far as being complete was concerned and then revised at some time in the future in order to embarrass someone who had perhaps made an innocent mistake at some earlier time. As the hon. member for Peel pointed out, intent to defraud may not be present at the time the application was made. In view of the discussion we have had tonight it would appear that this is unwise and unnecessary legislation and this section should be stricken from the bill.

Mr. Hees: I think the clearest indication of the unsoundness of the government's position on this measure is the fact that the Minister of Justice has taken the opportunity to quietly slip out of the chamber.

Some hon. Members: Oh, oh.

Mr. McIlraith: On a point of order, the hon. member has no right to impute motives to any other private member.

Mr. Hees: I just pointed out a fact.

Mr. McIlraith: No.

[Mr. Churchill.]

Mr. Hees: I believe it is also indicative—

The Chairman: The hon. member apparently rose to discuss clause 5 of this bill and the absence or presence of hon. members in the chamber at the time in my opinion has no relevancy whatever to this clause. I would ask the hon. member to confine his discussion to the clause.

Mr. Hees: As a layman, having listened to this discussion, there seems to be no justification for the government's stand on this matter. It is also rather hard to understand why the former minister of justice, the present Prime Minister, has refused to answer a very straight question which was put to him by the hon. member for Greenwood as to whether he thought it a proper stand for the government to take on this matter.

Mr. Harris: May I point out that the hon. member for Broadview did in fact impute motives. I am just wondering what he would have said if anyone on this side had said this afternoon that both the mover and the seconder of the amendment had quietly left the house before the vote.

An hon. Member: You asked for it.

Mr. Macdonnell: I do not think the Minister of Finance would willingly be unfair to the Leader of the Opposition—

Mr. Harris: I am not being unfair, I am just pointing out that unfairness is not expected on this side.

Mr. Macdonnell: The Leader of the Opposition—

The Chairman: Will the hon. member for Greenwood kindly resume his seat. The hon. member for Broadview had an opportunity to comment about the presence or absence in the chamber of the Minister of Justice, and the Minister of Finance has had the similar privilege. I think we might consider the incident closed.

Mr. Macdonnell: Do you rule that I am not allowed to explain the absence of the Leader of the Opposition who is in Toronto fulfilling a speaking engagement?

The Chairman: I rule that we are presently discussing clause 5 of this bill and that we should limit our discussion to clause 5 of this bill.

Mr. Macdonnell: I now have a question to ask on clause 5.

Mr. Garson: Before my hon. friend puts his question I should like as a question of privilege to inform you, Mr. Chairman, that in relation to the comments that were made about my absence, I was out of the chamber for a very temporary and private reason.

Mr. Macdonnell: I think it would be relevant to ask the Minister of Finance if he could tell us in how many cases false statements were made and in how many cases proceeds of loans were used for purposes other than that stated in the application.

Mr. Harris: No, I am not in a position to give that information. I regret it, but I cannot.

Mr. Macdonnell: Has the minister no idea at all?

Mr. Harris: No, I have not.

Mr. Macdonnell: Does the minister know whether there were any false statements, or any moneys used for wrong purposes?

Mr. Harris: I explained some time ago in answer to a similar question that I did not have that information. I shall be glad to supply it, but I do not have it yet.

Mr. Macdonnell: Does the minister think we should vote on this section before we have that information?

Mr. Fulton: Whatever may have been the reasons for anybody's absence, I am delighted that the Minister of Justice is in his seat, because there are certain facts I should like to bring to his attention and also to the attention of the Minister of Finance. As the hon. member for Digby-Annapolis-Kings has pointed out, by subsection 1 of the new section 8, it is provided that if there is an offence under the act the proceedings shall be heard under the summary conviction section of the Criminal Code. Section 693 of the Criminal Code provides as follows:

> (1) Except where otherwise provided by law, this part applies to proceedings as defined in this part.
>
> (2) No proceedings shall be instituted more than six months after the time when the subject matter of the proceedings arose.

So, by the ordinary provisions of the criminal law, proceedings cannot be brought for an offence more than six months after the offence was committed. The minister has just told the hon. member for Greenwood that he has no knowledge of whether there have been serious offences under the Farm Improvement Loans Act. If we were to be told that there had been such serious offences and that the greatest of difficulty had been found in launching prosecutions because of the time limit of six months that would ordinarily prevail, then we might be disposed to consider whether we could extend this time; but without any such information we are asked to extend the time, almost without limit. Now it may be alleged at any time after the loan has been granted that the minister has found evidence of an offence; and then he has 12 months after that, himself or through any subordinate official in his department, to bring in prosecution.

So it must be surely a very serious matter that would warrant the departure from the ordinary six-months rule and the extension of time without limit. How serious can it be? Is an offence against the Farm Improvement Loans Act so serious, does it involve the safety and welfare of the state, that this unlimited time should be extended? May I ask the Minister of Justice, are such offences as serious as the offence of treason, for instance? The minister smiles. Of course, he would agree. That suggestion does not hold water that an offence against the Farm Improvement Loans Act would be comparable to the offence of treason. I take it the minister agrees with me, and I am sure the Minister of Finance would agree with me.

Mr. Harris: Very seldom do I agree with you.

Mr. Fulton: Now let me point out that under the criminal law, for the most serious offence known to the law in so far as the safety and welfare of the state is concerned, that is, the offence of treason, the time limit in which prosecutions must be brought is three years, under section 48 of the Criminal Code, which states:

> No proceedings for an offence of treason as defined by paragraph (d) of subsection (1) of section 46 shall be commenced more than three years after the time when the offence is alleged to have been committed.

It is three years in the case of treason. But by this section, not only the Minister of Justice or the Minister of Agriculture but anyone in his department, without proof of the responsibility or the authority of that person, is given the right to commence prosecution for an offence at any time, provided only that he brings the proceedings within 12 months after he says he has discovered the evidence. That time may be any time up to 20 years or even longer. So we are in the ridiculous position that without a shadow of justification we are asked to enact with all solemnity—with all this battery of legal experts opposite, not one of whom can give any justification for it—a provision in a little innocent bill to amend the Farm Improvement Loans Act, which has all the implications that an offence against that act is regarded as more serious than the crime of treason. We have been asked to swallow many ridiculous things by this government, but I really do not think they will expect this house to swallow such a mockery as that.

I am confident, therefore, that the committee will vote for the deletion of that section.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take second reading of the bill on the St. Lawrence Seaway Authority Act; second reading of the bill with respect to the branch line of the C.N.R.; and second reading of the bill with respect to the Department of Transport Act.

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

ANSWERS TO QUESTIONS

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

MILITARY HOSPITALS—PER DIEM FOOD COSTS

Question No. 414—**Mr. Balcom:**

What is the cost per diem to feed a patient in navy, army and air force hospitals in Canada?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

The average daily cost of food, including special diets, per patient in service hospitals is as follows: For R.C.N. hospitals, $1.44; for army and R.C.A.F. hospitals, $1.33.

Questions

TRANS-CANADA AIR LINES—DIRECTORS' REMUNERATION

Question No. 418—**Mr. Regier:**

What were the payments to each of the directors of Trans-Canada Air Lines for the calendar year 1955 (a) by way of salary or other remuneration; (b) in payment of expenses?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

No remuneration or emolument was paid to the directors of Trans-Canada Air Lines. However, they were paid their proper out of pocket travelling expenses incurred in connection with business performed on behalf of the company, when these were applied for.

HOUSE OF COMMONS

Wednesday, May 2, 1956

The house met at 2.30 p.m.

MISCELLANEOUS PRIVATE BILLS

Sixth report of standing committee on miscellaneous private bills.—Mr. Henderson.

STARRED QUESTIONS

BANK HOLD-UP, COQUITLAM, B.C.

Question No. 47—**Mr. Goode:**

Have steps been taken by the government to give official recognition to R.C.M.P. Corporal Johnstone and the officers and men of the Burnaby, Maillardville and Coquitlam detachments of the R.C.M.P., in British Columbia, for their bravery and attention to duty in thwarting an attempted hold-up at the Royal Bank of Canada, Coquitlam, British Columbia?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer to the hon. gentleman's question is as follows: By general order No. 2900 issued by the commissioner for the week ending April 1, 1956, regimental No. 15347, Constable Johnstone, H.M.C., of "E" division, was promoted to the rank of corporal on and from April 1, 1956, in recognition of the energy, skill and bravery he displayed in foiling the hold-up of the Royal Bank of Canada at Maillardville, B.C., on the morning of April 3, 1956.

I should like to take this opportunity also of commending the efficiency and bravery of the N.C.O.'s and men of the Burnaby, Maillardville and Coquitlam detachments of the R.C.M.P. in British Columbia who were colleagues of Corporal Johnstone on this occasion.

PENITENTIARY SITE, JOYCEVILLE, ONT.

Question No. 48—**Mr. Knowles:**

1. Has the government purchased, or agreed to purchase, a property at Joyceville, Ontario, on which a federal penitentiary is to be built?
2. If so, from whom?
3. What price was paid, or is to be paid, for this property?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer to the first question is yes. The answer to the second is, partly from Benjamin W. Franklin, the balance to be expropriated. The answer to question No. 3 is that the total cost has not yet been determined pending result of the expropriation.

LANDSLIDE, NICOLET, QUE.

Question No. 50—**Mr. Boisvert:**

Have steps been taken by the federal government to study the causes of the landslide of November 9, 1955, at Nicolet, in order to determine if there is any way, within the jurisdiction of the federal government, to prevent similar occurrences in the future?

Hon. Robert H. Winters (Minister of Public Works): Yes, a channel for exchanging technical information has been established between the federal government and the Quebec government as the result of conversations and correspondence between the premier and me. We have already provided data from studies made by the national research council and expect to derive information particularly from studies of borings made by the Quebec government. All available information will be studied to determine what further data will be required before definite conclusions can be reached.

QUESTIONS PASSED AS ORDERS FOR RETURNS

HOSPITAL AND SANATORIA STATISTICS

Question No. 386—**Mr. Coldwell:**

1. What were the totals, by provinces, during 1948 and 1954, respectively, of first admissions, discharges and readmissions of patients into (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

2. At the end of 1948 and 1954, respectively, what were the totals, by provinces, of patients in (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

3. What were the number of beds available at the end of 1948 and 1954, respectively, in absolute numbers, and per hundred thousand population, by provinces, in (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

4. What was the average duration of hospitalization during 1948 and 1954, respectively, in (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

5. What were the total per diem costs in 1948 and 1954, respectively, by provinces, of (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

6. What were the per diem costs per patient, by provinces, in 1948 and 1954, respectively, of (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

7. What were the per diem costs, less cost of patients clothing, and less salaries of physicians,

by provinces, in 1948 and 1954, respectively, in (a) mental hospitals; (b) psychiatric wards; (c) general and chronic hospitals; (d) tuberculosis sanatoria?

8. What were the number per thousand patients, in 1948 and 1954, respectively, of (a) physicians; (b) nurses; (c) social workers; (d) other personnel, treating patients in (i) mental hospitals; (ii) psychiatric wards; (iii) general and chronic hospitals; (iv) tuberculosis sanatoria?

ANNUITIES ACT STATISTICS

Question No. 429—**Mr. Thatcher:**

1. In the past fiscal year, how much money was paid out by the federal government with respect to the annuities act (a) for administrative costs; (b) to keep the fund solvent; (c) for all other purposes?

2. Since the inception of the annuities act in 1908, what is the total amount of money paid out by the federal government (a) for administrative costs; (b) to keep the fund solvent; (c) for all other purposes?

3. In the last fiscal year, how many (a) individual contracts; (b) group contracts, were sold by the annuities branch?

4. How many individuals were involved in these group contracts?

MOTION FOR PAPERS

TRANS-CANADA HIGHWAY, BRITISH COLUMBIA

Motion No. 73—**Mr. Herridge:**

For a copy of all correspondence exchanged between the government of Canada and the government of the province of British Columbia, or any ministers thereof, since January 1, 1955, with respect to the trans-Canada highway.

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I have no objection to this motion passing subject to the usual reservation about first communicating with the government of British Columbia.

Mr. Speaker: Motion agreed to, subject to the reservation of the minister.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO PRESENT STATUS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. Can the Prime Minister now inform the house whether a decision has been reached as to the nature of the additional assistance to be given to Trans-Canada Pipe Lines and, if so, what are the terms of that assistance?

Right Hon. L. S. St. Laurent (Prime Minister): No decision has yet been reached, Mr. Speaker.

Mr. J. G. Diefenbaker (Prince Albert): May I ask a supplementary question? Will the Prime Minister table the offer of Frank McMahon and his associates? If the offer is confidential, will he ask McMahon to release the confidentiality so the terms of the offer may be brought before the house?

Mr. St. Laurent (Quebec East): Mr. Speaker, I have seen no offer from Mr. Frank McMahon. I will have to inquire from my colleagues if they individually have received a confidential offer. No offer has been brought to the attention of the cabinet.

Mr. Drew: Then may I direct a question to the Minister of Trade and Commerce? Has the Minister of Trade and Commerce received a letter from Mr. Frank McMahon in regard to the proposed pipe line?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have received no letter that I am free to table in this house.

Mr. Drew: That was not the question. I asked whether the Minister of Trade and Commerce has received a letter from Mr. Frank McMahon in regard to the proposed pipe line?

Mr. Howe (Port Arthur): Mr. Speaker, I have not been aware that our private correspondence is subject to examination in the House of Commons. Perhaps I am wrong about that.

Mr. Drew: Then, Mr. Speaker, we are to assume that the Minister of Trade and Commerce has received a letter which he is not prepared to table. Is that correct?

Mr. Howe (Port Arthur): Mr. Speaker, if I have received a letter it is marked personal and confidential and that being the case I am not prepared to say anything about it.

Mr. Drew: Mr. Speaker, then are we to understand that pipe-line developments in this country are the private prerogative of the Minister of Trade and Commerce?

Mr. Howe (Port Arthur): Mr. Speaker, the Leader of the Opposition is the only man in Canada who would take that conclusion from the remarks I have made.

Mr. Drew: No sensible person could take any other conclusion.

Mr. Hees: Has the government given consideration to a proposition put forward by Mr. Frank McMahon? If so, will the Minister of Trade and Commerce say whether the government thinks it is a sensible proposition or not?

Mr. Gauthier (Portneuf): What a finesse.

Mr. Howe (Port Arthur): Mr. Speaker, I have already said I do not think I am required to discuss private correspondence.

Mr. Drew: Mr. Speaker, I wish to direct a question to the Prime Minister. Do we now understand that the government takes the position that discussions in regard to pipeline developments in Canada are private matters of ministers of the crown?

Mr. St. Laurent (Quebec East): The government does not take that position, but the government cannot prevent any Canadian citizen from addressing a confidential communication to any member of the government or to anybody else.

Mr. Diefenbaker: Mr. Speaker, may I direct a question to the Minister of Mines and Technical Surveys. Will he tell the house what was the offer from McMahon that he referred to in his speech in Alberta two weeks ago when speaking on the occasion of his recent visit there regarding the offer of the McMahon interests?

Hon. George Prudham (Minister of Mines and Technical Surveys): Mr. Speaker, while speaking in Alberta I referred to a news dispatch which I read in the Calgary *Herald.*

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Does the Prime Minister know the nature of the letter that Mr. Frank McMahon wrote to the Minister of Trade and Commerce?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, I do not. I have not seen it.

Mr. Rowe: They do not even trust each other.

Mr. Drew: Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. Do I understand from his answer that the only information he has about pipe lines is what he gets from the newspapers?

Mr. Rowe: They do not trust each other, let alone us. They had better get together in another cabinet meeting.

Mr. Diefenbaker: Are you all on a sit-down strike?

[*Later:*]

On the orders of the day:

Mr. Drew: Mr. Speaker, may I ask the Prime Minister whether the government is giving consideration to the advance of a sum of between $50 million and $80 million, as reported by the press, to Trans-Canada Pipe Lines or a guarantee of bonds for a similar amount?

Mr. St. Laurent (Quebec East): Mr. Speaker, the hon. gentleman knows that members of the privy council are not permitted to disclose publicly, otherwise than through orders or decisions that have been approved, the discussions that take place in their meetings.

Mr. Rowe: Mr. Speaker, may I ask the Prime Minister whether he is aware of the fact that the authorities of Trans-Canada Pipe Lines reported that proposal had been agreed to by the government?

Mr. St. Laurent (Quebec East): No, Mr. Speaker; I was not aware of that fact.

Mr. Knowles: Better ask the Minister of Trade and Commerce.

LABOUR CONDITIONS

RAILWAYS AND NON-OPERATING UNIONS—ACTION TAKEN TO AVOID STRIKE

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the announcement made this morning with respect to the negotiations between the railway unions and the railways, is the Prime Minister in a position to state what steps are being taken by his government to avert a railway strike?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I understand that the last step that has been taken has been a communication addressed by the Minister of Labour to the railways and to the representatives of the employees asking them to meet to discuss settlement on Tuesday morning at 10.30.

REPORTED SHORTAGE OF FARM LABOUR

On the orders of the day:

Mr. L. E. Cardiff (Huron): Mr. Speaker, I should like to direct a question to the Minister of Labour. Owing to the fact that few if any immigrants are coming forward to Canada to help on farms, and owing to the extra shortage of farm labour in Ontario, is the minister in a position to tell the house if anything is being done to relieve this situation?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, in conjunction with the Department of Citizenship and Immigration activities are being carried out based upon the needs on the farms as expressed at the farm labour conference held late last year at which the representatives of the provincial departments of agriculture were present and at which as close an estimate as possible was made of the needs this year. An effort is being made to fulfil those needs.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

REFERENCE TO STATEMENT BY CHAIRMAN BEFORE ROYAL COMMISSION

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, may I direct a question to the Minister of National Revenue. Is he prepared to comment to the house on the statement made this morning to the committee investigating the C.B.C. and television in which Mr. Dunton said that in order to curtail the $15 million cost increase in C.B.C.'s operations in the past year it will be necessary to severely dismantle organization and drop plans in a very drastic way?

Hon. J. J. McCann (Minister of National Revenue): Mr. Speaker, I have no comment to make as long as the matter is before the board of inquiry. One inquiry at a time is plenty.

ROYAL CANADIAN MOUNTED POLICE

BANK HOLD-UP, COQUITLAM, B.C.—PROMOTION OF CORPORAL JOHNSTONE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Minister of Justice. Will he not agree that Constable Johnstone was in line for promotion to the rank of corporal and would have received that promotion in any event, and therefore in effect has not received any award for his outstanding service?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, the answer is no.

DEFENCE PRODUCTION

CF-105 PLANE—EFFECT OF STRIKE AT ORENDA ENGINE PLANT

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to direct a question to the Minister of Defence Production. Could the minister advise the house as to whether the strike at the Orenda engine plant at Malton will have any immediate effect on the production schedule of the CF-105?

Right Hon. C. D. Howe (Minister of Defence Production): Mr. Speaker, I am informed that a wildcat strike occurred at the Orenda engine plant yesterday; whether it is continuing today, I have not heard. I have no reason to believe that it will affect the CF-105 program but I will be glad to make inquiries.

[Mr. Gregg.]

PRIVILEGE

MR. REGIER—REQUEST FOR SUPPLEMENTARY REPLY TO QUESTION

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I would like to rise on a question of privilege. In question No. 418 I asked the Minister of Trade and Commerce (Mr. Howe) what payments were made to each of the directors of Trans-Canada Air Lines for the calendar year 1955 by way of salary or other remuneration and in payment of expenses. The answer I received is:

> No remuneration or emolument was paid to the directors of Trans-Canada Air Lines. However, they were paid their proper out of pocket travelling expenses incurred in connection with business performed on behalf of the company, when these were applied for.

I submit, Mr. Speaker, that this is not the answer to the question I asked and I hope the minister will order a supplementary reply.

PUBLIC SERVICE

WINNIPEG—RATES OF PAY OF WOMEN CLEANERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Public Works. Has there been an increase in the rates of pay of women cleaners at Winnipeg and other cities comparable to the increase announced yesterday for those in the Ottawa area?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, that matter is being looked into. I will take the question as notice.

AIR TRANSPORT

OTTAWA—INQUIRY AS TO PRIVATE PLANE STORAGE

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Transport. Can the minister give the house any information as to what steps are being taken to alleviate the critical storage situation for private plane operators in the Ottawa area?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I shall have to take my hon. friend's question as notice and make some inquiries.

ST. LAWRENCE SEAWAY

AMENDMENTS TO AUTHORIZE OPERATION OF BRIDGES, ESTABLISHMENT OF TOLLS, ETC.

Hon. George C. Marler (Minister of Transport) moved the second reading of Bill No. 216, to amend the St. Lawrence Seaway Authority Act.

He said: Mr. Speaker, when we had the opportunity of discussing the resolution which is preliminary to the present bill I endeavoured to give a full explanation of the purposes which the government had in mind in introducing these amendments to the St. Lawrence Seaway Authority Act. I do not think I can usefully add anything to the somewhat comprehensive explanation which I gave last week.

I think I might merely repeat that the principal need for the amendments to the act arises from the fact that the bridge carrying rail and road traffic over the south channel between Cornwall island and the mainland of the United States will have to be demolished in order to enable the passage of ships when the seaway is opened and that nearly all of the amendments that are contemplated by this bill are necessitated by measures that will have to be taken in consequence of the prospective removal of that bridge. I think the only one that is not directly related to that particular aspect of the matter is one concerning the disposition to be made of the proceeds realized from the disposition of property held in the name of the authority. That is a matter which was the subject of some comment in this house when the supplementary estimates were considered and I think hon. members are familiar with the reason for the proposed change. I do not think that any other words of explanation are necessary, Mr. Speaker; but I shall be happy, when we come to the committee stage, to give any other explanation that hon. members may wish to have.

Mr. W. B. Nesbitt (Oxford): In regard to this particular bill, as the minister has already indicated, there were quite a number of questions discussed in the resolution stage. However, I have a few questions I should like to ask when we get to the committee stage of the bill.

There is one thing, however, I am a little at a loss to understand, and possibly the minister can clear it up at this stage. It is this. If in the future any other international bridges are to be built in the area under the jurisdiction of the St. Lawrence seaway authority, are these bridges going to be built by the seaway authority or by some other private or public authority?

The reason I inquire in this regard has to do with certain remarks made by the minister, at the bottom of the first column on page 3217 of *Hansard*. The minister said:

> I would not like the committee to think for a moment that this is a departure from the main purpose of the St. Lawrence seaway authority which, as hon. members know, is to build a deep waterway from Montreal to lake Erie and not to go into the building of a series of bridges across the river, either in the international rapids section or anywhere else. If it had not been for this particular situation and the fact that the replacement of the bridge across the south channel necessitates an international bridge I do not think it would have been necessary to bring in this legislation.

I gather from those remarks of the minister that, apart from a particularized situation in the Cornwall area, where there is a big dam being built, the other reason the St. Lawrence seaway authority was going into this matter of constructing a bridge was that an international bridge was necessitated.

In 1952 a private bill went through this house to incorporate the Ogdensburg Bridge Company. Until July 2 of next year, this particular company, which was incorporated for the purpose of constructing an international bridge across the St. Lawrence river in the neighbourhood of Prescott, it would seem to me, might with the consent of the governor in council build this bridge. It might ask permission any time up to next July. If that is the case, I wish the minister would clarify the position if the Ogdensburg Bridge Company, which I point out is a private company, asked for permission to build such a bridge, whether or not, in the opinion of the minister, such permission would be granted or whether, since it is an international bridge—as the minister has pointed out—required to go across the St. Lawrence, it would probably be the seaway authority itself that would construct any such international bridge in this area, which at present is under the jurisdiction of the seaway authority.

I believe I have mentioned this matter on an earlier occasion in the resolution stage but, in view of the minister's remarks, I would be much obliged—and I am sure other members interested in this would be too—if the minister could tell us whether or not all international bridges in the area under the jurisdiction of the St. Lawrence seaway authority are going to be built by the authority or whether private or other public authorities will be building bridges in this area.

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

Hon. George C. Marler (Minister of Transport): I shall attempt to reply directly to the hon. member for Oxford. I should like to make it perfectly clear that the proposed bill deals in two ways with the subject of international bridges. First, it gives the seaway authority the legal capacity to build international bridges when they are specifically authorized by the act. Second, the bill specifically authorizes the authority to build an international bridge over Pollys Gut. I should like to make it perfectly clear that it is not contemplated that the seaway authority will build other international bridges and I think it is most unlikely that the legal capacity to which I have just referred will be exercised for that purpose. In any event, I think I made it perfectly clear during the discussion at the resolution stage that if it were decided, which I think is unlikely, that the seaway authority would build some other international bridge it would be necessary to have a further amendment or a further act of parliament in order to authorize the authority to do so. I hope I have made that perfectly clear to the hon. gentleman because, as I have endeavoured to point out, the only international bridge with which we are now concerned and which is in our minds and intentions is that over Pollys Gut and nowhere else.

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—

Mr. Nesbitt: It would appear to me that there is possibly a slight error in the drafting of this clause and I should like to ask the minister to clarify the matter. Clause 1 reads as follows:

> Section 10 of the St. Lawrence Seaway Authority Act is amended by deleting the word "and" at the end of paragraph (a) thereof and by adding thereto the following paragraphs—

Paragraphs (c) and (d) then follow. What I am curious about is what happens to paragraph (b).

Mr. Marler: I think it is perfectly clear from the language of the amendment that all that is done by the preliminary words of this clause is to delete the word "and" which appears at the end of paragraph (b) and to add two additional paragraphs, (c) and (d).

Some hon. Members: At the end of paragraph (a).

Mr. Marler: Yes. I have read the language very carefully and I must admit that I find it difficult to come to any other conclusion.

Mr. Nesbitt: It may be that the minister has a different copy of the bill than I have but my copy distinctly says that at the end of paragraph (a) paragraphs (c) and (d) will be added, which leaves (b) out in the cold, out on a limb or whatever you want to call it.

Mr. Marler: I think if the hon. gentleman will read the clause more carefully he will see that it does not bear that construction. The first part says that section 10, and it is of course section 10 that we are talking about, is amended by deleting the word "and", at the end of paragraph (a) thereof. "Thereof" obviously refers to section 10. Then it goes on to say, "and by adding thereto"—and I take it the word "thereto" refers to section 10 because that is what we are talking about—"the following paragraphs". We add at the end of section 10, from which the word "and" has been struck out at the end of paragraph (a), paragraphs (c) and (d). Paragraph (a) remains but we take out the word "and" at the end. Paragraph (b) remains because there is nothing to say it is to be deleted. Then paragraphs (c) and (d) are added because that is what this clause says.

Mr. Nesbitt: It seems a little confusing to me. I am glad that the minister finds it plain because a number of other hon. members in addition to me have found it anything but plain. However, if the minister assures us that paragraph (b) remains, well and good.

Mr. Michener: I fell into the same error and as I believe in clarity in legislation I should like to move that the word "thereto" be struck out and that the words "to the said section" be inserted in place of "thereto". Then it will read, "and by adding to the said section the following paragraphs". Then there will be no doubt about it at all.

The Chairman: Shall the clause carry?

Mr. Michener: Is my amendment not to be considered?

The Chairman: I have not got an amendment.

Mr. Michener: Perhaps the minister would say whether or not he would accept it.

Mr. Marler: Mr. Chairman, I must say that I think what the hon. gentleman has just said is exactly what the present clause says. I cannot see how the word "thereto", particularly just following the wording "thereof", and particularly when it is obvious that section 10 is the object of the clause itself, adds force to the amendment. I know it is easy to say it makes it abundantly clear, but I think it is abundantly clear already.

Mr. Nesbitt: It may be abundantly clear to the minister in his wisdom, but to some of us less brilliant mortals it is not quite so clear.

I suggest the amendment of the hon. member for St. Paul's does not change anything in essence except to make the matter more clear. In view of the fact that some of us would find it easier to understand if that amendment were put in, I think the minister might acquiesce.

Mr. Hamilton (Notre Dame de Grace): This clause, amongst other things, gives the authority the power to acquire the shares and property of any bridge company for the purposes of the act. I am wondering whether the minister would inform us if the New York Central Railway has yet made any application to the board of transport commissioners for the abandonment of its existing line between Cornwall and Ottawa, because that is conected with this bill.

Mr. Marler: This morning someone directed an inquiry to me on exactly the same point, and I took the pains to make inquiries to see whether any such application had been brought before the board of transport commissioners. I was informed that no such application had been made. I should like to say this in reply to what the hon. gentleman has just said. If anyone considers the physical conditions which exist on Cornwall island, which as I explained the other day is crossed both by the New York Central Railway and by a highway, and realizes that on the United States side a considerable amount of work in the relocation of the right of way must be carried out and a new bridge must be built by the United States authorities, quite apart from the bridge over Pollys Gut, I think I would say to the hon. gentleman it is clear that consideration must be given to the desirability of replacing the railway facilities or suggesting perhaps it might be more convenient to abandon them. The matter is under consideration, but beyond that I cannot make any more positive statement at this time.

Mr. Nesbitt: I asked the minister a question during second reading on this particular section and when the minister replied he said he hoped he had answered the question. I am afraid he had not.

Referring again to the remarks made by the minister at page 3217 of *Hansard* for April 24, 1956, at the top of the second column he stated:

> If it had not been for this particular situation and the fact that the replacement of the bridge across the south channel necessitates an international bridge I do not think it would have been necessary to bring in this legislation.

In view of those remarks I am afraid I cannot draw any other conclusion but that because this area is under the jurisdiction of the seaway authority and an international bridge is concerned, the seaway authorities feel that any such international bridge should come under their authority. It is for that reason this particular legislation is requested, the particular circumstances at Pollys Gut plus the fact that it is an international bridge. It may be the minister did not mean it that way, and that is why I asked him whether, if any more bridges of an international character were contemplated in the area, those bridges would be constructed by the seaway authority or some other public or private company.

Mr. Marler: Well, Mr. Chairman, I do not know how often it must be said, but it seems to me quite clear from what I said at the committee stage, from the paragraph which follows that which the hon. gentleman has just read, and from my statement on second reading, that were it not that we are dealing with an international bridge in connection with the seaway works around Cornwall island it would not be necessary to amend the seaway authority act. I thought I had made it abundantly clear, Mr. Chairman, that there was no intention in the mind of the government or of the seaway authority to build other international bridges or to extend the authority's jurisdiction to other international bridges that there may be in some other parts of the waterway. I had hoped to make it quite clear that the prime function of the St. Lawrence seaway authority is to build the seaway and it is only because in the course of building the seaway it is necessary to remove the bridge over the south channel at Cornwall island that it is necessary to build a new bridge over the south channel, which is an international bridge, because as I explained before it is more or less bisected by the international boundary, and the bridge over Pollys Gut, which is considered the most desirable replacement for the south channel bridge, is likewise straddling the international boundary which makes it an international bridge, that it is necessary for the seaway authority to have the specific authority to build it.

Now, no other international bridges are contemplated at this time. I will repeat, Mr. Chairman, that this particular clause with which we are dealing gives the seaway authority the legal capacity to build international bridges, in the plural, but that no other bridge is being authorized by this amendment and no other bridge is in contemplation or intended at this time that would be an international bridge. The hon. gentleman appears to be very much interested in the bridge at Ogdensburg. I assure him this has nothing whatever to do with the seaway authority. If other people are going to provide bridges all I can say is that the seaway authority will be delighted if they do so.

The Chairman: I have now received from the hon. member for St. Paul's the amendment which he mentioned a short time ago. He moves:

The word "thereto" in the third line of clause 1 be struck out and replaced by the words "to section 10".

Is the committee ready for the question?

Mr. Green: May I suggest to the minister that there is some ambiguity in the present wording, and if the change were made as proposed by the hon. member for St. Paul's it would clarify the wording of the clause. For the sake of saving time, and at the same time making the section absolutely clear, I think the minister could accept that amendment. It is not put forward for the purpose of making trouble or anything of that nature. It is simply to make the section clearer. I do think the present clause could be read either one way or the other, and the change would have the effect of making the meaning absolutely clear.

Mr. Marler: Mr. Chairman, the hon. gentleman has been very persuasive about this very difficult question. So far as I am concerned whether we say "thereto" or whether we say "to section 10", I think it means exactly the same thing. If the hon. gentleman insists upon this amendment I shall accept it.

Amendment agreed to.

Clause as amended agreed to.

Clause 2 agreed to.

On clause 3—*Authority may construct bridge over Pollys Gut.*

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, on clause 3, which refers specifically to the Pollys Gut bridge, the minister told us a little while ago that the New York Central Railway were considering the abandonment of this bridge.

Mr. Marler: No, I did not say that.

Mr. Hamilton (Notre Dame de Grace): Or that some consideration was being given to it.

Mr. Marler: That is better.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I think that is in line with the amendment just accepted, that some consideration is being given to the abandonment of the existing railway line. I wonder whether the minister can give us some indication as to what discussions have taken place on the apportionment of the costs of this particular Pollys Gut bridge and the incidental works thereto as between the New York Central and the authority? What I have in mind there, Mr. Chairman, is the possibility that perhaps it has been suggested the railroad bear what it considers to be an unfair portion of any costs in connection with this work either now or in the future by means of tariffs.

Mr. Marler: Mr. Chairman, I can dispose of that question immediately by saying that at no time has it been contemplated that the railway would contribute to the cost of the bridge over Pollys Gut. The reason why it has not been asked to make any contribution is very clear. It already has facilities not apparently very aesthetically beautiful, if I remember what the hon. gentleman said at the resolution stage; but which nevertheless carry its trains across the St. Lawrence river and over both the north channel and south channel. As far as the New York Central is concerned, it does not, as I understand it, desire to have the bridges removed but it will be necessary, despite the age of the bridge over the south channel, to remove it and it will be necessary therefore to relocate the railway facilities to enable the New York Central to pass over the new bridge without its having to contribute to the cost. If you ask it to contribute to the cost you will be merely asking it to raise its claim for damages accordingly. What is being contemplated, as the hon. gentleman may see from the plans of the seaway, is the relocation of the railway facilities and the building of the Pollys Gut bridge as a replacement of the present railway bridge over the south channel.

The hon. gentleman also spoke about the question of the sharing of the costs of the Pollys Gut bridge. My understanding is that there have been conversations and discussions between the seaway authority and the St. Lawrence Seaway Development Corporation concerning the sharing of the costs of building the bridge. As I said the other day, it is possible that one of the two bodies may build the substructure and the other may build the superstructure. If that were done it would mean an approximately equal sharing of the cost; or conceivably it might be done as a single operation with the cost being shared equally by the two authorities; but, as I said the other day, the matter is under discussion at this time and no decision has yet been reached as to what is to be done.

Mr. Nesbitt: I have a brief question on subsection 2 of section 3, Mr. Chairman, which reads:

Construction of the bridge mentioned in this section shall not be commenced until the governor in council has approved the plans and site thereof and the plans and site so approved shall not be altered except with the consent of the governor in council.

As I understood the minister's remarks earlier, the authority to build and operate

the bridge will be a subsidiary of the St. Lawrence seaway authority itself. Just as a matter of curiosity, I wonder why it is necessary to have the plans and alterations approved by the governor in council rather than by the St. Lawrence seaway authority itself?

Mr. Marler: Mr. Chairman, the assumption from which the hon. member proceeded will not necessarily come to pass. He spoke about the possibility of this bridge being built by a subsidiary of the seaway authority. It will not necessarily be built by a subsidiary, but it may be. It depends on how the rearrangement of facilities, both road and rail, is carried out in the Cornwall island area. Consequently, I must point out right away it is not necessarily a subsidiary, but it might be the authority itself jointly with the St. Lawrence Seaway Development Corporation.

So far as the approval of the plans is concerned, I understand that this is language that is always used in connection with bridges crossing the St. Lawrence river, and I can see no reason whatever, particularly as this is not the activity exclusively of a Canadian entity but a joint activity of both, why we should depart from the rule that the governor in council should approve the plans.

Clause agreed to.

Clauses 4 to 6 inclusive agreed to.

On clause 7—*Incorporation of subsidiaries.*

Mr. Michener: Mr. Chairman, I want to tell the minister that this project of building a bridge is one that commends itself to me and I am sure to the committee. As I understand the minister's description of the actual problem, there is the Cornwall bridge and the proposed bridge which will be over Pollys Gut and which is some distance removed from the present bridge. I am not sure whether the minister gave us the distance from the present bridge to the place where the new bridge will be constructed and I am not sure either whether the minister gave particulars of the sort of corporation which now operates the Cornwall bridge. I have endeavoured to find some reference to it, but I do not see it described in any corporation manual. I understand there are two corporations, one of which owns the bridge and another which leases it. They are both private companies. Before the matter is finally disposed of will the minister give us some information about those companies? I would appreciate it if he would do that and give us some information as well about the location of the Pollys Gut bridge.

Mr. Marler: Mr. Chairman, I thought that I had the plan of the Cornwall area with me. The hon. gentleman raised the question the other day and I looked at the map. I think the Pollys Gut bridge is approximately one mile from the present south channel. Now, that item of information would be most misleading if one did not realize that the relocation of the highway and of the railway itself will add quite substantially to the present mileage because it is necessary to make quite a substantial detour for both the railway and the highway. However, I shall send the hon. gentleman a copy of the plans so that he can see just about where the location is and I think that he will realize there was no other location that could be chosen for the facilities that would be suitable both for rail and road which I am sure the hon. gentleman will appreciate must fit into the location of the locks which are to be constructed from near the point we are talking about.

So far as the ownership of the bridges is concerned and the other rights that are related to them, the bridges are owned either by the New York Central Railway or by one of its subsidiaries, I think called the Ottawa-New York Railway, and they are very old bridges, as I said the other day. They have been under lease for a long time to first the predecessor—perhaps I should say the predecessor of the Cornwall International Bridge Corporation—and now, of course, the bridge corporation itself. As I said the other day, the current lease actually ends on December 31, 1957, but in 1950 at a time when the bridge company was considering making some substantial expenditures on the property it had leased it arranged for a 25-year additional lease to run from December 31, 1957, so the expiry date is now December 31, 1982. This is one of these percentage leases and the New York Central or one of its subsidiaries receives rental based on the amount of revenues collected by the bridge company.

I am afraid I cannot tell my hon. friend very much about the bridge company itself. The shares are not listed and I believe they are privately held. It is hoped that it will be possible to work out with the bridge company an arrangement for the purchase of its shares or the purchase of its relevant assets so as to avoid both the cost and delay involved in a long examination of the amount of damages that would be suffered by the corporation itself.

If you expropriated only the south channel bridge or if you expropriated the south channel bridge and gave the company rights over Pollys Gut bridge, the question arises as to what are you to do with the existing highway over Cornwall island. Generally speaking, you

must consider whether it would be desirable to have the authority buy the shares or the assets.

In any event I think the hon. member for St. Paul's realizes there are a great many possibilities. The seaway authority wishes to have the freedom of action that will enable it to acquire the facilities at the least possible cost to the authority itself. In using the expression the least possible cost I do not mean that we wish to rob the bridge company, but I mean paying a fair price for the privileges, the franchise and rights that the bridge company now has.

Mr. Michener: I take it, Mr. Chairman, from what the minister says, that these are negotiations which will be carried on by the authority; they are prospective and have not been concluded?

Mr. Marler: I think I should say that there have been conversations.

Mr. Michener: But they have not been carried to the point where the minister could say what course will be followed?

Mr. Marler: Quite honestly, Mr. Chairman, I am not in a position at this time to suggest that a final arrangement has been made, even on the assumption that legislation would be passed. Conversations have taken place but as often happens those who have something to sell have an idea that it is worth more than those who wish to buy it.

Mr. Michener: Can the minister say whether the owners of this Cornwall International Bridge Company, that is the principal shareholders, are Canadian or non-Canadian?

Mr. Marler: My understanding is that they are principally if not all Canadians.

Mr. Nesbitt: Could the minister give us an idea of approximately how many shareholders there might be?

Mr. Marler: I am afraid I do not know, Mr. Chairman. I do not think that the question of the number is material. The matter which interests me most is what the authority will have to pay to get all the shares.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, under clause 7 there is a question of principle which disturbs me considerably. I am quite sure that the minister is not going to be prepared to do anything about it because he may be able to find some precedent for it in the past, but I think it is something to which we here in the house might very well take strong exception. I am referring to the matter of giving the St. Lawrence seaway authority the power, with the approval of the governor in council, to procure the incorporation of other corporations for the purpose of carrying out its work. The renumbered clause which covers that will be 24 (a) (1).

I have always felt, and I think many hon. members in this house have also felt, that the further removed government bureaucracy and government administrative processes become from this house the more difficult they are to control, the more difficult they are to know anything about and the more opportunity there is for evasion of the proper authority and supervision by this house.

We have crown corporations at the present time which were set up in war time, and perhaps at that time they served a very necessary purpose; but carried on into peace time, we never see or hear and we never have a genuine chance to get at the details of the administration of these individual corporations. The one exception I can think of offhand, and it does not fall into quite the same class as the others, is the Canadian National Railways. The examination which its accounts receive in the committee on government-owned railways and shipping each year is, I think, beneficial to the company and it is illuminating to this house and to the representatives of this house who sit on the committee.

We have here a seaway authority which will be perhaps somewhat the same as the national harbours board. There is an opportunity in the estimates each year to have a look at the national harbours board and to comment on its operation. I would assume that there will be a similar opportunity in connection with the St. Lawrence seaway. But when the St. Lawrence seaway authority begins to incorporate subsidiary corporations to carry out its activities we reach the point at which this house will then be quite incapable of controlling its activities and it will be difficult for the house to know anything about it.

As I have said, I do not expect that as a result of these words or as a result of my pointing out this particular situation I am going to be able to shake the government in its present course, but I do think that legislation of this kind should not be allowed to pass without having it pointed out again and again and again that the government by means of legislation such as this and by means of other activities is taking the genuine power of examination and the power of control further and further away from the hands of this house year by year.

Mr. Marler: Mr. Chairman, I would like to quote a paragraph from *Hansard* relating to this discussion. The paragraph is found

on page 3216 of *Hansard* of April 24, 1956 and it reads as follows:

> This raises a question as to whether or not the tolls which would be charged for the use of this bridge would be kept entirely separate from the seaway tolls. It seems to me they have no relationship to the tolls which would be charged for the use of the canal. In one case the users of the bridge would pay their tolls and pay the cost of maintenance and ultimately the cost of building the bridge, and separate accounts should be kept. In the other case the users of the canal, or the shippers would pay their toll for shipping facilities. I am just pointing this out; doubtless these things have received consideration not only by the minister but by the seaway authority.

Those words were not mine. They were the words of the hon. member for St. Paul's. I think they were very sensible words and I am surprised that his colleague the hon. member for Notre Dame de Grace does not share his opinion. Because I have been in opposition for a large part of my life, I suggest that one of the first things that is good for an opposition is to have them all speaking with the same voice. However, I am not trying to give the hon. member for St. Paul's any lesson. What he has said here in what I have just quoted makes sense. It is merely because it is the sound, common-sense approach to separating seaway tolls and seaway revenues from the possible revenues that may accrue from the operation of a highway bridge that the desirability of having the power to create a subsidiary is so manifest.

The hon. member for Notre Dame de Grace fears that by this process the facts will be lost sight of. Mr. Chairman, I hope the facts will not be lost sight of. So far as the seaway corporation is concerned, I feel perfectly sure that when the seaway is completed, when it is in operation, all of the facts will be given to parliament because there will be nothing to hide and nothing that anybody will want to hide. I think that if one will consider these questions in a purely objective fashion, in the way in which the hon. member for St. Paul's considered them, we would all agree that it was desirable to have a subsidiary so as to maintain a desirable separation between the greatly differing activities.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I would not want the remarks of the minister to go without an adequate reply because I think that, baldly stated as they were, they give quite a wrong impression. The minister, who has previous experience in opposition in other parts of this country and who also has extensive experience as a lawyer or a notary, must also know that there are many ways of keeping money separate and distinct, and of keeping funds separate besides the necessity of making a special incorporation or incorporating a special company for the purpose. We need only to turn to the accounts of the federal government itself where we find that it is possible to have accounts for receipts and expenditures in a department, on a departmental basis, without the necessity of incorporating a special corporation. In a company with a number of varying operations one often finds that it will prepare separate financial statements and accounts for its returns without setting up one corporation per department.

I can see where the minister might like that. Just consider what would happen. The lawyers and the notaries of this country would be worked to death if you had to set up a separate corporation every time you wanted to make a separate accounting of your receipts. It seems to me that that is the basis of the argument that he has advanced. The only reason he has given us in this case was that, quite properly, it was necessary to keep the financial operations, the accounting for this bridge, separate from the other operations of the seaway. I do not see for a moment where that puts the hon. member for St. Paul's, who has the same fundamental idea, and me at odds, because we agree—in fact, surprisingly enough all three of us seem to agree—that the accounting for the operation of this bridge should be on a separate basis. Where I part company primarily with the minister is on the question of whether or not he needs to have the power to set up separate incorporations in order to deal with these particular problems. In that respect, it is my contention that he does not need that power.

The Chairman: Shall the clause carry?

Mr. Green: May I ask the minister to what extent it is planned to use this power contained in what will be section 24A of the act? As I understand it, that section gives the St. Lawrence seaway authority the power not only to set up a subsidiary company for the purpose of building bridges but also to carry out any other function that can be carried out by the authority itself. In other words, this section 24A is general. I can see the minister's argument for having a subsidiary company to build the bridge or to operate that bridge. But why is it necessary to give the St. Lawrence seaway authority this much broader power to set up a subsidiary company to carry out any of the purposes that the authority itself has power to carry out? That seems to me to be going very far. I should like the minister to explain why that wide power is taken and to what extent and in what way it is proposed to use the power.

Mr. Marler: First of all, Mr. Chairman, I should merely like to reply to what the hon. member for Notre Dame de Grace said. In the first place may I say that he has a conception which I find rather widely shared upon the part of people who are not lawyers, namely that lawyers suggest ways and means of doing things only in order to provide more business for the legal profession.

An hon. Member: How true.

Mr. Fulton: That is not too far out.

Mr. Hamilton (Notre Dame de Grace): That is what the minister himself says.

Mr. Marler: What I said was that when we got to the point where we did not need lawyers to interpret the laws passed by parliament, the millenium would be reached and everybody would be happy.

Mr. Fulton: Except the lawyers.

Mr. Marler: I think they would be very unhappy if we made things so clear that even the members of the opposition could understand them. In reply to the hon. member for Notre Dame de Grace I want to say that I hope I did not say anything which suggested that I believed the only way in which one could keep accounts for, let us say, the operation of bridges separate from the operations of the St. Lawrence seaway itself was by means of a subsidiary corporation. I have no such idea. I hope nothing I said would give that impression to the committee. What I say is that it provides a convenient way of keeping the operations separate and distinct.

I shall reply to the hon. member for Vancouver-Quadra by saying that at the moment no other subsidiary corporation is contemplated than that in connection with Cornwall island to which I have just referred. At this moment I am not even in a position to say that we shall definitely need to have a subsidiary corporation in connection with Cornwall island because that will depend upon what are the developments in connection with the highway and railway facilities. The text of clause 7 follows other legislation adopted by this parliament under what can be regarded as similar circumstances. I know of no other purpose at this time for requiring the incorporation of a subsidiary than that which we have already discussed this afternoon. But having regard to the magnitude of the operations in connection with the seaway and having regard to the great variety of problems that the seaway has to deal with during the course of its negotiations with interests of all kinds from one end of the seaway to the other, I think it desirable that it should have a broad power and that it should not be confined merely to the one subsidiary that we contemplate as perhaps being necessary in connection with Cornwall island.

Clause agreed to.

On the title:

Mr. Knowles: Before the title carries, Mr. Chairman, may I make one suggestion. It seems to me that the minister is to be congratulated on accepting a suggestion that was made by the opposition. However, it seems to me that in his hurry to be a fine fellow, something has been overlooked and that we have agreed to rather sloppy wording in what will be clause 1. In effect, we will be saying that section 10 is amended by adding to section 10 certain words. It seems to me that in the spirit of harmony that obtained with regard to clause 1 we might be able to achieve better wording. I suggest two alternatives. One would be to put in the words "the said section 10"; or an even better one would be to make it read "after paragraph (b) thereof". I am not going to raise a procedural problem as to how we are going to make the change, but it seems to me that if we put it through in the way in which the minister agreed to it, whilst the motive was commendable, we are left with drafting that is hardly the kind of drafting that good lawyers would produce.

Mr. Marler: I think we have come to a sorry state when somebody who is not a lawyer can tell us how we can do our job better than we can do it ourselves, but I must say I agree with the hon. gentleman. I think the suggestion he has made is an improvement on what the hon. member for St. Paul's suggested a little earlier. While it is embarrassing for a member of the legal profession to have to receive advice from outside, I accept it gratefully.

The Chairman: Is it the unanimous wish of the committee that we revert to clause 1?

Some hon. Members: Agreed.

The Chairman: It is moved by Mr. Knowles:

That clause 1 of Bill No. 216 be amended by deleting the word "thereto" from line 6 and by substituting therefor the words "after paragraph (b) thereof".

Mr. Michener: Line 3.

Mr. Knowles: Line 3 of the clause or line 6 of the bill.

Mr. Michener: I agree with the minister that is a further improvement.

The Chairman: May I as a lawyer enter into this discussion? The amendment of Mr. Knowles reads as follows:

That clause 1 of Bill 216 be amended by deleting the word "thereto" from line 6—

I shall say "line 3".

—and by substituting therefor the words "after paragraph (b) thereof".

The word "thereto" has already been deleted from clause 1, and the words "to section 10" have been included. May I therefore suggest that the amendment can only read in these terms:

That clause 1 of Bill 216 as amended be amended by deleting the words "to section 10" from line 3 and by substituting therefor the words "after paragraph (b) thereof".

Mr. Marler: The law has re-established its position.

Amendment (Mr. Michener) withdrawn and amendment (Mr. Knowles) agreed to.

Clause as amended agreed to.

Bill as amended read the second time, reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE FROM BARTIBOG TO TOMOGONOPS RIVER, NEW BRUNSWICK

Hon. George C. Marler (Minister of Transport) moved the second reading of Bill No. 248, respecting the construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from a point at or near Bartibog in a westerly direction to the Tomogonops river in the vicinity of Little River lakes.

He said: I explained the other day when the resolution was before the committee that the proposed branch line would commence at a point at or near Bartibog on the main line of the Canadian National Railways between Newcastle and Bathurst, in the province of New Brunswick, and would run in a westerly direction to the Tomogonops river in the vicinity of Little River lakes, a distance of approximately 22 miles. I also said that the estimate cost of the construction of the proposed line is $127,270 per mile or a total of about $2,800,000.

I also explained that Heath Steele Mines Limited, a subsidiary of American Metals Company, has expended large sums in proving up a substantial body of lead, zinc and copper ore and is at present actively engaged in readying the mine for production, including the installation of a concentrate mill at a capacity of 1,500 tons of ore daily. This company has requested the Canadian National Railways to construct the said branch line.

I gave some information with regard to the prospective volume of traffic and I told the members of the committee that it was contemplated that a traffic agreement would be entered into between Heath Steele Mines Limited and the railway company which would guarantee adequate traffic. I think the figure I mentioned was 75,000 tons in any year. Under the contemplated traffic agreement there would be a penalty if in any year the volume of tonnage delivered to the railway by the company were less than 75,000 tons. I also explained that this was to be on a cumulative basis and, if the penalties were paid in one year but there were excess tonnage carried in a following year, the company would be entitled to be rebated the amount of any such penalties, the over-all intention being that during the six-year period an aggregate of 450,000 tons of concentrates could be carried by the railways.

I also pointed out that it was expected that this would enable the cutting of approximately 12,000 cords of pulpwood annually, and it was believed that with the freight in prospect, which I have already mentioned, and the other freight that would naturally develop, the branch line would be self-sustaining and would actually contribute something to the finances of the system as a whole.

The other day, several hon. members spoke on the resolution and commended its purpose. I hope that the bill itself will be received in the same spirit by the members of the house and that we may have it adopted and go ahead with the work as soon as possible. I should like to add just this further word, that the Canadian National Railways itself is most anxious to make a start with the work at as early a date as possible because, as will appear from the bill itself, the work is to be completed prior to November 1, 1958, and I understand they are anxious to get on with it so as to meet the date I have just mentioned.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, the members of the official opposition are very glad to support this bill. In recent years several similar bills have been brought before the house and we have supported them all in the belief that in each case the construction of the branch line then under consideration would be of benefit not only to the railway company but also to the nation as a whole. I remind hon. members that some of these branch lines included the line from Terrace to Kitimat in British Columbia, another from Sherridon to Lynn Lake in Manitoba, another in the country fairly near the constituency represented by my good friend, the hon. member for Fort William (Mr. McIvor), namely, the branch line to lake Manitouwadge, and also the line into the Chibougamau area in Quebec. In addition, there was one constructed by the Canadian Pacific Railway Company in the vicinity of Madoc. I do not remember the actual towns involved in connection with that branch line.

Mr. Marler: Which one is the hon. member referring to?

Mr. Green: I just referred to the branch line built by the Canadian Pacific Railway Company. All the others to which I have referred were branch lines of the Canadian National.

This line in New Brunswick is particularly encouraging because New Brunswick does not have any part of the great mining shield of Canada and none of us suspected that large and valuable ore deposits would be found in that province. Now, by what would almost appear to be a miracle, large and promising ore deposits have been found in that old province of New Brunswick which has done so much for the other parts of Canada. Many of the leading men in my own province of British Columbia have come from New Brunswick. In fact, we sometimes say that British Columbia has been run by New Brunswickers. So we are very happy to see this development in that province and are very glad to support it. We hope that in the very near future a smelter will be established in New Brunswick so that they can smelt their own ores rather than having to ship them out in the raw state.

There is one suggestion I should like to make to the minister in connection with the bill. I suggest it should be referred to the standing committee on railways, canals and telegraph lines which is presided over so ably by the hon. member for Pictou (Mr. McCulloch). The bills dealing with the other branch lines to which I have referred were all sent to that committee for consideration, and I suggest to the minister that is a very wise course to follow. The committee is able to hear evidence from officials of the railway company concerned, which in this case would of course be the Canadian National, and it has been very much in the interests of good legislation to have that course followed.

I remember Mr. Fairweather appearing before the committee a year or two ago and giving us a very enlightening picture of just what the railway had in mind for the district to be developed by the branch line then under consideration. I hope the minister will follow that precedent in the case of this bill. There need be no delay if that is done. The committee has already been set up and has dealt with other matters. It could probably deal with this bill in one morning's sitting, and in view of the fact that the bill cannot become law in any event until it has gone through the other house and has received the royal assent I submit there would be no time lost. I think it would be a great mistake not to follow that practice in the case of this bill.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, before the bill receives second reading I want to express my appreciation of the decision of the government to seek authorization for the construction by the Canadian National Railway Company of this branch line from Bartibog to the vicinity of Little River lakes. I am sure this measure is being carried out in conjunction with the vast growing mining developments in northern New Brunswick. The expenditure of $2,800,000, part of which will be in my constituency of Gloucester, together with the anticipated annual cut of 12,000 cords of pulpwood per year, will provide additional employment in the area and will add to the federal government's contribution towards the development of New Brunswick's natural resources.

The mineral discoveries in the northern regions of New Brunswick will provide millions of tons of ore which will have to be extracted and transported to shipping points. We cannot disregard the advantages offered by the proximity of these mines to deep water harbours where shipping can take place twelve months in the year. Right in the vicinity of Bathurst, within a distance of 20 or 30 miles from the mineral deposits, we have a deep water harbour and a sufficient source of fresh water supply to permit the construction and operation of a smelter in order to refine within the province our rich deposits of zinc, lead, copper and silver. Forty miles farther away we also have at Pokesudi one of the best natural harbours on the Atlantic coast. There shipping can also take place 12 months in the year in sheltered water with a depth running from 27 to 30 feet within a few hundred feet from the shore.

With the discovery and development of these extensive base metal deposits, co-operation and even financial assistance for the procurement of a large and steady source of power will likely be required from the federal government. In addition to the provision of transportation facilities, these new and growing industrial centres will also require a constant supply of electrical energy for the electrochemical processing of their minerals. I am confident that the matter will receive favourable consideration if and when a definite request and proposal is presented to the government in this regard. When in the very near future other mining interests such as Brunswick Mining and Smelting, Anacon and others apply for additional spur lines to connect their mines and operations with the main line of the Canadian National, I am confident that similar favourable consideration will be given by the government and by Canadian National Railways.

Mr. John B. Hamilton (York West): Mr. Speaker, I am going to direct my remarks only to supporting the request of the hon. member for Vancouver-Quadra (Mr. Green). This legislation involves an amount over $3 million and I understand also that under the bill a 15 per cent spread is allowed in connection with tenders to be obtained for this work. Before the work is proceeded with I believe we should have the opportunity of having representatives of the company appear before the committee so that we may discuss their estimates of costs with them and satisfy ourselves that the amount of money being provided is going to do the job properly. I do not think we should be asked to say in a blanket way that the bill is satisfactory and let the matter go at that. After all the money is to be advanced, on a temporary basis, out of the consolidated revenue fund and I think more information is required.

I might say just a few words about the extension of the line. It is a long way to New Brunswick from York West, but certainly if all of this country is going to prosper we are going to have to do our best to provide for the decentralization of industry and to make use of all the natural resources we have wherever they may be found. I am quite sure all of us feel that if that can be accomplished by opening up these areas, and if we can place at the disposal of the people in those areas the opportunity to locate industry there and improve their standard of living, then we should all be in favour of this type of development. No matter where development of this type may take place, it is going to redound to the general benefit of the country as a whole.

Mr. A. M. Nicholson (Mackenzie): I am sure, Mr. Speaker, that all members of the house welcome the introduction of this legislation. I should like to say that the people of our generation have not been able to participate directly in the construction of branch lines. I think the hon. member for Vancouver-Quadra (Mr. Green) has made a useful suggestion. I am sure there was no intention on his part to block the legislation by having it referred to a committee. Those of us who have been on committees in which these problems have been discussed have received quite a valuable education from the officials of both railways who have appeared.

I recall when Mr. Crump, the new president of the Canadian Pacific, appeared before the committee two or three years ago he presented a very interesting case to the committee. When the resolution was before us I asked the minister about plans for branch lines in Saskatchewan. While this subject might not be strictly in order, if the officials were before the committee, their comments on the requests for branch lines and the problems that are being encountered before the large investment in capital costs could be made would be of interest to the public. I hope the minister will agree to the suggestion made by the hon. member for Vancouver-Quadra that this matter be referred to the appropriate committee.

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

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I should like to briefly mention the fact that the recent branch line which Canadian National Railways have built, and those which come particularly to my mind, all relate to the development of our natural resources. Hon. members who have been members of this house longer than I have probably remember the legislation in connection with the Sherridon-Lynn Lake branch line, and after that the legislation which authorized the building of the line to lake Manitouwadge and the line in the Chibougamau territory. I should like to say I am very happy that this particular bill relates to the development of natural resources in the province of New Brunswick. I think we have all felt a sense of satisfaction that it has been possible to bring to that point approaching production, the deposits which are able to sustain the costs of a branch line. In other words, that they are able to guarantee sufficient traffic so that the line will be self-sustaining and will not constitute a drain on the finances of the system as a whole. I feel sure, and a number of members from New Brunswick have spoken to me about it, that we feel this is most promising for New Brunswick. I think we all feel a sense of satisfaction that here is a base metal deposit which is going to be developed and brought into production.

Now, with regard to the suggestion by the hon. member for Vancouver-Quadra (Mr. Green) that we should refer this bill to a standing committee, I want to say that I had rather thought, from the unanimity of opinion expressed at the resolution stage and in view of the fact also that this is a very short line traversing unsettled territory, that sending it to a committee would not offer any particular advantages. But if it is the general feeling, as it seems to be from what has been said by one or two hon. members, that it would be advantageous for a committee to examine the details of this project more fully, I shall have no objection. I shall be glad to move, after the adoption of second reading of the bill, that the measure be referred to the

standing committee on railways, canals and telegraph lines where it may be examined more closely by the members of that committee.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

TRANSPORT

CONTINUATION OF AUTHORITY TO MAKE REGULATIONS AND APPOINT CONTROLLERS

Hon. George C. Marler (Minister of Transport) moved the second reading of Bill No. 249, to amend the Department of Transport Act.

He said: As hon. members will notice from the bill it has no other purpose than to change the date on which section 6A of the Department of Transport Act is to expire. As I pointed out the other day, it is now provided in subsection 3 of section 6A that the section will expire on May 31, 1956. The purpose of the bill now before the house is to extend that time to May 31, 1958.

Mr. J. G. Diefenbaker (Prince Albert): I have no desire to traverse the ground that was covered during the resolution stage, but there are one or two observations I intend to make. I preface them by saying that the Minister of Transport (Mr. Marler) is one who has a very agreeable manner in presenting his legislation and in giving answers to questions which might be emulated by some of the other members of the cabinet who, again this afternoon, showed that from the Prime Minister (Mr. St. Laurent) down they appear to be on a sitdown strike when it comes to furnishing information. The Minister of Transport, on his part, does present the measures coming before this house in a way that invites the co-operation and the objective criticism of the opposition, which is also in keeping with parliamentary government and the responsibility of members of the house to do their part in the solution of questions that come before the house.

Having said that, and without any desire to recapitulate what was said on an earlier occasion, I do wish to point out just one or two matters connected with the regulations which, in consequence of this amendment, will be continued in effect until May 31, 1958.

The regulations provide for a transport controller having authority to order any person dealing in various bulk commodities to fix minimum quotas, to fix proportions and the like and also to order any person dealing in bulk transport facilities, which include railways, steamships and the like, to extend, furnish, supply or make use of any bulk transport facilities for transporting any bulk commodities. These powers are very wide. The transport controller becomes almost, if not completely, omnipotent. His authority is above the law; his discretion is unchallengeable. I mention those powers because the results in the western provinces in so far as wheat transport is concerned have been ineffectual. Regulations, while artistic as window dressing, are ineffectual when they are not carried out. The enforcement of the regulations, the implementation of the powers has all the innocuity of eyewash. The powers are there. They have not been used. I make no personal criticism of Mr. Roy Milner. There are some who criticize him because of the fact that in an earlier day he held the presidency of the Winnipeg grain exchange, according to the hon. member for Yorkton (Mr. Castleden), and was also one of the executive officials of one of the line grain companies. Those suggestions do nothing to meet the problem we face.

Sometimes I wonder whether the transport controller was set up for the purpose of acting as a scapegoat for the failure of the Minister of Trade and Commerce, first to provide markets for western wheat, and, second, to endeavour to delude the western farmer into believing that the reason that 97 per cent of western marketing points are on a 2-bushel or less quota is that there is a shortage of box cars. That would leave the inference that the responsibility for failure to maintain markets is not the government's but the transport controller's because of his failure to supply cars. The transport controller said as recently as February 17:

> There is no shortage of box cars which have the effect of holding up prairie grain shipments.

Well, sir, if there was no shortage of box cars, then it is difficult to understand why some 90 million to 100 million bushels of available storage space remained vacant and unoccupied during the fall of last year when the western farmer found himself so short of money because of his inability to market at the 2,000 or more marketing places in the western provinces.

This was the position of the farmer. He had the wheat. It was not climatic conditions. That alibi is totally ineffectual. It was the fact that there were no markets available at the various marketing points, which denied the farmers of western Canada the opportunity to use at least 75 per cent of the 100 million bushels of available space.

Mr. Marler: What does the hon. member mean when he says there were no markets in the marketing places?

Mr. Diefenbaker: Simply because those places were filled. The various line elevators were filled, and that is what I mean when I say there was no market. General storage may be available at the head of the lakes or elsewhere, but when the farmer goes to the local marketing point and finds there is no space there and there are no cars available to make space available he is in the position of having no market because the government is the sole marketing agency.

The record is as follows. The transport controller says there was no shortage of cars. The record shows that every other type of commodity industry in Canada of major importance received two or three times the number of freight cars that it had in 1954. One question I asked still remains unanswered by the minister, and I know unintentionally unanswered, because he answered the various questions very fairly as I saw it, but my one question is this. Is it a fact that the reason that cars were not available—there being no shortage of cars according to the transport controller—is that the railway companies found it so much less profitable to haul wheat than to haul the other bulk commodities under the control of the transport controller? Here is the record. From the beginning of the present crop year on August 1 up to January 31, 1955 there were 203 freight cars fewer each day throughout the entire period, as compared with the number available for marketing the year before; 203 cars fewer in the first six months at a time when farmers could have marketed—

Mr. Marler: The hon. member is talking about car loadings as opposed to the number of cars?

Mr. Diefenbaker: Yes; there were 203 fewer car loadings per day in the first six months of the crop year 1955 than there were in the preceding year. There was some increase in the number of daily cars available in the latter days of January, and I am referring again to loadings. The cars available for loadings increased to 867. Since then approximately 900 a day have been available. Nine hundred cars a day will not remove the wheat that is available to be sold on the prairies by the end of the present season if the amount that the farmer is going to be able to sell is to equal that sold a year ago.

Mr. Marler: Will the hon. member permit me to interrupt for just a moment? He speaks about 900 cars a day. The latest report I have is that in the month of April we had 1,905 cars loaded on April 17, 1,810 loaded on April 18, and 1,610 loaded on April 19. Therefore, I do not think we should talk about 900 a day.

Mr. Diefenbaker: The minister is now talking about April. I dealt with the situation of the first six months up to January 31.

Mr. Marler: I see; all right.

Mr. Diefenbaker: There has been an increase since the latter part of January. I have the figures day by day. I had to get them because the Minister of Trade and Commerce challenged me earlier in January when I said that insufficient cars were available. I secured the information—not from the minister or from any department of government, because I realized that with the propensity which this government has for concealing information, I would not have been able to procure it there—from an original source. What is the situation now? There has been an increase in the number of cars. The minister mentioned certain days in April. I have not the exact figure but those are approximately correct.

Having regard to the extra cars that have been made available the situation is such that unless in the months that lie ahead a further increase in the numbers he has already referred to is made the situation will still be a serious one.

The other day Mr. Chris. Hansen, president of the Saskatchewan farmers' union, dealt with what he stated was inaction in this regard. I propose to read from an article which appeared in the Saskatoon *Star-Phoenix:*

> If the transport controller, Roy W. Milner, received an extension of his appointment for another two years, western farmers would want action in getting sufficient box cars to country elevators, Chris. Hansen, president of the Saskatchewan Farmers' Union, declared. Last winter there was inaction in this regard. The extension of another two years was debated in the House of Commons Tuesday.
>
> Mr. Hansen said there had been conflicting statements by authorities regarding an alleged shortage of box cars. Whatever the truth, farmers had not been getting sufficient cars in the current crop year. The powers conferred on Mr. Milner were wide enough, but had never been used to provide the number of cars to enable western farmers to deliver sufficient grain.
>
> Car loadings had recently increased to about 900 per day in the west, but more than 1,400 daily were needed to equal the loadings in the preceding crop year, Mr. Hansen said. Compared to the previous crop year there was a deficiency of 18,000 box cars from August 1, 1955 to April 11, 1956. There was no shortage of box cars according to Mr. Milner, so he could not have exercised his powers to allow such a deficiency, Mr. Hansen said.

I make this appeal to the minister; statistics are not helping the western farmer to market his wheat.

Mr. Hansen enjoys the trust of this government. He returned only recently from the meeting of the international wheat agreement conference which he attended as one

of the representatives of Canada and as recently as April 25, in the interview to which I have made reference, he set out the seriousness of the situation.

Again I repeat that when only 2 per cent of the western marketing points are on a 5-bushel quota something is very wrong or the 5-bushel quota would have been increased if there had been available cars to empty the various elevators in the local marketing places.

However one wishes to look at this matter, and however repetitious the claims on the part of the Minister of Trade and Commerce (Mr. Howe) have been that all is well, the fact remains that the situation is a serious one. Mr. Milner says it is not his responsibility. He has had the cars. I then ask, whose responsibility is it for what has had all the appearances of being energetic somnolence in the face of a serious situation amongst the western farmers?

There are three points, sir, that I wish to bring to the minister's attention. One is the need of removing the discriminatory shortages of box cars in certain marketing points. There has been gross ineffectiveness in the allocation and authorization of cars to the various marketing points. Equalize them. To equalize them I suggest that the rule that has heretofore existed that wheat grown on Canadian Pacific Railway lines shall not be diverted or stored in the Hudson bay facilities at Churchill be done away with, and that in so far as northern Saskatchewan and Manitoba are concerned, adjacent as these areas are to the Hudson bay storage facilities, those storage facilities should be made available to wheat grown on Canadian Pacific Railway lines.

Second, there should be a conference convened of representatives of organized agriculture, including two or three representatives of the various farm organizations, to meet with the railways to the end that the unfairnesses and discriminatory practices against certain marketing places be removed.

Third, in providing freight cars for the transport of wheat, those areas which have the low quotas of one or two bushels to the acre should be given an immediate preference.

How anyone can argue that somebody has not slipped up is quite beyond me when I point out the fact, which I now repeat, that at only 2 per cent of all the marketing points in western Canada has the farmer a 5-bushel quota.

What does that mean? A 5-bushel quota will not pay his expenses. Yet in only 2 per cent of the cases do the farmers have that quota. In approximately 7 per cent of the marketing places the farmer has a quota of only one or two bushels per acre. In other words, he receives about $2.50 per acre. That is all he has been able to realize. That in itself explains the reason that in recent months the manufacturers and bulk producers in the provinces of Ontario and Quebec are finding a reduced demand on the prairies for the things which they produce.

Let me tell you this, and it is not anything novel, that whenever depression has come it has originated first in agriculture. When the western farmer finds himself in the position of not being able to market enough to pay his ordinary costs, and when he is unable to pay the credit he has received from his local dealer, then indeed the repercussions are not immediate but within a matter of a short time they begin to affect production in the eastern provinces and when production is affected unemployment takes place.

I make no apology for asking that the powers contained in these regulations, these all-embracing, all-comprehensive, omnipotent and uncontrollable powers in the courts, be used to the end that cars be made available. Unless they are, this legislation would simply be a reproduction of the legislation as it has been, legislation that has teeth but whose teeth have never been used.

I would remind hon. members, Mr. Speaker, that there have been no directives issued by the controller. What is the use of giving the power to do these things if the power is not used? The minister said that if the powers had not been there, things might have been worse. That, in effect, is what he said the other day in answer to me.

Mr. Marler: That is your interpretation of what I said.

Mr. Diefenbaker: Mr. Speaker, I could look it up. It was on April 25, as I remember it. Interpretations have become of the first importance and magnitude today, Mr. Speaker, on a number of occasions. I shall just read what the minister said, if I can locate it without holding up the committee. I know the minister dealt with it specifically and gave his opinion on it, and that he referred specifically to myself in connection with the question I had asked.

I am unable to turn up the page at the moment. I will not hold up the house now in an effort to locate it, but will return to it a little later in order to support the point I have just made. The minister, if my interpretation is correct, certainly left that impression with me in the words he used. When we come to the committee stage I will produce the text,

and I will ask the minister with that all-pervasive power of interpretation to interpret what he meant when he referred to my criticism that powers, however ample they may be, if unused are not effectual.

I think what I have said in general represents my submissions with respect to this measure. With all the power I can put into my words I say this to the minister. Do give us in the western provinces something of the same consideration that iron and other materials are receiving in the allocation of freight cars, to the end that the western farmer will have available to him sufficient to pay his costs of production last year, and that immediately.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, when the resolution dealing with this subject was introduced my colleagues and I had ample opportunity to present suggestions to the house. The hon. member for Prince Albert has taken the opportunity to review many of the things we said at that time.

The basis of our suggestions was that the Minister of Transport take it upon himself to give consideration to the circumstances which have developed in western Canada over the past few years in connection with the inequitable distribution of box cars. We have suggested that in the present glut condition in western Canada the minister would be well advised to give this house an assurance that the many wide powers which the transport controller has at his command by virtue of section 6A of the Department of Transport Act will be utilized to effect the fulfilment of the purpose of the section. The words of the statute are as follows:

> . . . the governor in council may make regulations for the purpose of ensuring the prompt, efficient and orderly transport . . . of goods in bulk . . . .

That legislation is quite in keeping with the philosophy of the party I represent, because we have always believed that government planning for the benefit of the majority of the people is desirable.

I was rather interested in the stand just taken by the hon. member for Prince Albert, because he pleaded with the minister to use the wide power he had at his disposal. My thoughts took me back to the debate on the defence production bill of last year when the Conservative party were greatly concerned lest the government might use some of the wide powers which it had at its disposal. I do not want to misconstrue what was said by the hon. member or to impute motives to him.

Mr. Diefenbaker: I am sure my hon. friend would not do that.

Mr. Johnson (Kindersley): He has stated that the transport controller should use these regulations for the benefit of the people of western Canada. That was the purpose for which they were originally intended. The one thing that still concerns me is that when the bill is brought in by the minister, we find that it is just as simple as he would have us believe the duties of the transport controller are. At the resolution stage we find at page 3261 of *Hansard* that the minister in debate stated this:

> The duties of the transport controller are to see that when export sales are made by the Canadian wheat board or other exporters the grain sold will be at the ports required when ocean vessels prepare to load.

Then two paragraphs farther on he stated:

> I know and the transport controller knows that there were five or six vessels in demurrage in Vancouver in the early part of this year. I understand that the difficulty arose not from any action of the transport controller or the railways but owing to the fact that the grades required were not in position at the appropriate time and this is not the responsibility of the transport controller.

I would suggest that the minister take a careful look at the functions which he believes the transport controller should perform. Certainly these statements he has made are most incompatible. In the one case he has stated that the function of the transport controller is to ensure that grain will be in position to load on the vessels, and in the second case he makes an excuse for the fact that there were five ships paying demurrage because, after all, that was not the function of the transport controller.

If we were to analyse the situation I think we would find that the functions of the transport controller go much further than the minister would have us believe. Let us assume that tomorrow the Canadian wheat board got an order for a cargo of No. 6 wheat. They would then be obliged to allocate the shipping orders to localities where No. 6 wheat is in present supply. The supply of No. 6 grain has been fairly well used up, so we are informed. Hence there might be a limited number of areas in which there was a supply of the type and quality of grain which was required to fill this order. The duties of the transport controller are to ensure the prompt, efficient and orderly transport of goods in bulk which, of course, includes wheat. The Canadian wheat board would give their orders in this area. I claim that the function of the transport controller then proves itself, because he must be in a position to get enough box cars into that area—and have them allocated to the elevators in that area—to allow the grain that the farmers have to be delivered and taken to position to be loaded into the ship.

It might well be that the grain was in an extremely limited area. Let us suppose that it was at one marketing point for this type and class of grain. The transport controller's function would then take us down to the allocating of box cars among individual elevators. I think that is the basis on which we should like to see him operate. It need not necessarily be the allocation of box cars among individual elevators, although we have been impressing upon the government the necessity for some formula to allow the farmers to deliver to the elevator of their choice. But we think the functions of the transport controller should be extended to ensure the orderly marketing of grain from the time of delivery to the elevator to the loading on board ship.

If that is done we shall get away from the inequalities; we shall get away from the situation where we have one marketing point with a one-bushel quota and others with a five-bushel quota. We shall give the farmers in the west an equal opportunity to deliver their grain. As that is done, of course, the whole of the economy will benefit.

In closing I would plead with the Minister of Transport to give this matter further review, and I hope he will be able to see his way clear to give us an assurance that the transport controller will be in a position to fulfil the functions as outlined in section 6A of the Department of Transport Act to allow for the efficient and orderly transport of goods in bulk.

Mr. Victor Quelch (Acadia): We in this group have always supported the principle that box cars should be allocated on the basis of the farmer's choice. Today, however, box cars are allocated on a basis of the wheat board orders that are distributed amongst the elevators. It may be argued that Mr. Milner has that power and should exercise it. On the other hand, I doubt very much whether it would be wise to try to take that responsibility away from the wheat board. I believe it is a good thing that the responsibility does rest with the wheat board.

So far the wheat board has refused to allocate box cars on the basis of the farmer's choice, or allocate orders on the basis of the farmer's choice. Consequently, of course, the box cars are not allocated on that basis. We discussed this at some length in the agriculture committee. A number of us urged upon Mr. McIvor that orders should be allocated on the basis of the farmer's choice, but he explained—and I think with reason—that it was not always possible to do that, because they had to put the orders where the type of wheat that was wanted lay. If the wheat was not available at certain points or elevators, they had to give the orders to other points and other elevators.

On the other hand, perhaps the railways can be criticized for not making more cars available. I know there is a feeling prevalent in the west that perhaps there is some connection between the shortage of box cars and the Crowsnest rates. They feel that perhaps the railways are not really doing everything they can to make more box cars available, that they are constantly urging a change in the Crowsnest pass agreement, and that as a consequence they are not doing their utmost to make all the cars available for moving wheat that could be made available.

We feel that the point that really needs stressing, and the only solution to this problem, is an expansion of markets. If we can expand the markets to take care of our wheat I believe this whole difficulty that we are having today will gradually clear up. As a matter of fact the markets are increasing this year already, and it looks as though the situation will improve; in fact it is improving.

If only we can keep adequate markets so there can be a steady movement of wheat the year round, I believe the situation we have gone through will be greatly alleviated. I do not feel prepared to try to place the blame for this situation upon Mr. Milner, because I do not think he is the individual who is responsible for the situation from which the farmers have been suffering in the past.

Mr. Rene N. Jutras (Provencher): I rise only to say a word particularly on the argument that there has been discrimination as between areas and as between provinces. As a matter of fact that has been the basis of most of the arguments made by the C.C.F. members, the hon. member for Prince Albert (Mr. Diefenbaker) and others, and particularly the hon. member for Assiniboia (Mr. Argue). I see he is in his seat, and I hope he still has the Wheat Review from which he quoted extensively the other day when we were at the resolution stage on this measure. These figures were used also by the hon. member for Mackenzie, the hon. member for Prince Albert and a great many other members, who tried to prove that there was great discrimination as between provinces.

I am very sorry they had to raise that point and try in effect to create a division among the provinces. There was the absolute inference that it was for political reasons that Saskatchewan was not getting its share. Of course the whole argument is just

ridiculous, and is not borne out by the facts. If you will go to the same review that was quoted extensively—March, 1956—you will note that the emphasis was placed on the summary of elevator shipping points in each quota group. In other words the emphasis was all placed on the quota.

Everybody knows that the quota in itself does not mean too much. You may have a four-bushel or five-bushel quota, but if you do not get any cars you just do not sell any more grain. The only thing that really amounts to anything is the amount of grain delivered. That is what counts. When you put it on a provincial basis, if you just turn the page in the same review, you have there listed by weeks from the beginning of the crop year the actual marketings of wheat in the prairie provinces. It goes up to the week ending March 14.

Mr. Argue: On what page is that?

Mr. Jutras: The part quoted by the hon. member was on page 6. Now turn to page 8, and you will see there that the total amount for Saskatchewan is 79 million bushels, for Manitoba 15 million bushels, and for Alberta 40 million bushels. If you figure it out, you will see that Saskatchewan actually marketed 59 or 60 per cent of the total amount of grain marketed in the western provinces.

Right under that line you will see the average similar period for the ten-year period from the crop year 1944-45 to 1953-54. The over-all average for that period was 32 million bushels for Manitoba, 147 million for Saskatchewan and 76 million for Alberta. If you reduce it to percentages, Alberta has delivered exactly the same percentage it delivered on the average over the period of the last ten years. Saskatchewan delivered more than the average of the last ten years —not very much, but 1½ per cent more; and apparently they delivered it at the expense of Manitoba, because Manitoba is down by 1½ per cent.

This is quite contrary to the argument that Saskatchewan is being discriminated against. If there is any discrimination it is against Manitoba. If we are discriminated against, to use the same term, it is to the advantage of Saskatchewan.

Of course I am not making that statement, because it would be ridiculous to make such a statement on such a small difference, knowing the conditions as they are and the difficulty the wheat board had moving grain last fall and even yet, nobody can actually work it down to a decimal point. There can be no doubt that all this talk about great discrimination against Saskatchewan and other provinces is just plain, unadulterated bunk. I hope we will not hear any more about that, because it always comes back to us that Manitoba for some reason or other is apparently always getting some great advantages over Saskatchewan. Our socialist friends have been crying blue ruin for so long that apparently they cannot say anything else.

The question of the demurrage charge at Vancouver has been bandied about a great deal in the country and in this house. The other day the minister set out the position quite clearly, I thought. It just so happened that when the orders came in, the type of grain required was not in storage in Vancouver, so naturally they had to bring it in by box cars. If anybody here has had any experience in loading a ship directly from box cars coming from the prairies, he knows it is quite a job. No doubt the transport controller had a great deal to do in trying to arrange to load such ships in a reasonable time, but it would be absolutely out of the question to expect that you could load a ship that way without paying some demurrage charge. It just stands to reason. It is one of those cases where it was unexpected, probably unavoidable, and in my opinion nobody in particular is to blame. It is just one of those unforeseen things that happen once in a while.

A great many have been taking the loadings of cars and trying to prove from the fact that there were less cars loaded or more cars loaded that the transport controller was at fault. Actually there is no relation whatsoever between the actual box car situation and the loadings. Just because there is no loading does not mean there are no cars. Everybody knows that last fall there were plenty of cars but there was no loading. Every terminal space was full to more than capacity. All bins were rounded. There was a very negligible amount of space available. The only grain that moved was grain going to local mills; consequently there was no point in loading more cars.

I think I am right in saying that there were 3,000 to 4,000 cars loaded and standing on the sidings waiting to be unloaded, with no prospect of any unloading in the immediate future. Consequently the controller, quite properly I think, let box cars go to other uses until the grain could be moved out of a terminal position. During that time there was practically no loading; but to conclude that there was a terrific shortage of box cars because there was no loading is of course entirely beside the point. In my opinion the whole basis of taking car loadings to attempt to prove whether or not there is a car shortage

is not valid, and does not prove anything at all with the possible exception of the fact that sales were down at that particular time.

The other argument put forward has to do with the available space in elevators throughout the country. I have yet to find anybody who can tell me exactly what is normal empty space in elevators throughout the country. Some experts have placed this figure at a very high level, but I doubt very much whether at this moment the empty space in elevators is unusually high or above normal. It is not desirable at any time to have the space completely plugged up as it was last July. I think we all realized last July and August that it was a mistake to use all the available space possible and then find ourselves in difficulty in trying to move grades that were not in that particular storage. I know that even in spite of strong protests certain of the terminals last year kept some space available after the end of the crop year, and this proved to be of very great advantage to the producers connected with the particular organization because they were able to market particular grades of grains that were in demand at that time.

The thing to remember, and a lot of people have forgotten it in this discussion, is that the wheat board does not handle wheat alone. If it were just a matter of wheat, period, it would simplify the matter a great deal; but wheat, oats, barley, rye and flax are involved and in each case there are a great variety of grades. There are so many bins and you just cannot mix them all together. Therefore there is bound to be a substantial amount of space unused at one time or another throughout the year. To simply take a figure and say that there is space for 56 million bushels available and consequently that should be taken up tomorrow is not practical and it could not be done. At no time will all the available space be used entirely, because there are so many factors that enter into the picture.

I regret that throughout this debate there has been a great deal of unfair criticism of the transport controller. I think he has done a pretty fair job under the circumstances. He has been blamed for a lot of things over which he has no control. He has been blamed for doing certain things that some say he should not have done, and he has been blamed for not doing other things that certain people think he should have done. But when you look at the picture generally, when you look at the amount of grain that is being moved at the moment and the allocation of cars, I think the picture is just as fair as one could humanly expect it to be in the circumstances that prevailed last fall, during the winter and that prevail now.

To say there is discrimination between provinces is most unfortunate and certainly is not borne out by the facts. There is no point in comparing areas that are not comparable. Agricultural conditions in Manitoba and Alberta are quite different from those in Saskatchewan. In Manitoba we are not exclusively in the business of producing grain to the extent that Saskatchewan is. A one-bushel quota in our province does not mean the same thing as a one-bushel quota in Saskatchewan, because our agriculture is diversified. All these factors enter into the picture. It is said that comparisons are odious, and that is particularly so when it comes to making such comparisons between provinces.

Mr. Johnson (Kindersley): Would the hon. member permit a question?

Mr. Jutras: I always do.

Mr. Johnson (Kindersley): The hon. member is not arguing that the basis of agriculture in the various provinces should determine the quota that would be applied to them, is he?

Mr. Jutras: I am not arguing that at all. All I am saying is that conditions in Manitoba are entirely different from what they are in Saskatchewan. What you consider a small farm in Saskatchewan is a big farm in Manitoba. That is all I am saying. I say that the quota itself does not mean anything. What matters is the actual delivery of grain, and when Saskatchewan has delivered a greater percentage of grain than the average for the last ten years members from that province should not come here and complain they have been discriminated against at the expense of another province that has delivered less than its average over the same period.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I want to assure the hon. member for Provencher right at the outset that I do not intend to get into this Manitoba versus Saskatchewan controversy. I say this mainly because I feel that to do so avoids the real problem. What we are dealing with in the legislation before us this afternoon has a much deeper basis than the particular point that has been raised.

Last week when we discussed the resolution that preceded the bill we now have before us I more or less approached the problem with an open mind. In listening to the discussion I noticed that a good many members were asking questions and presenting queries to the Minister of Transport in an attempt to get more concrete answers with

respect to a situation that had become confused as a result of conflicting answers from ministers during recent months.

Now that we have the report of the debate on the resolution before us I find that the two questions I asked have been answered in more or less definite terms. First of all I asked, is there a real shortage of box cars? Second I asked, if there is not a real shortage of box cars, is the problem one of equitable distribution or allocation of the available box cars? As a result of the answers given I have come to the conclusion that there is no shortage of box cars. The real difficulty seems to be the problem of allocation of box cars as among certain areas of the country and various bulk products.

Unfortunately it seems to me, Mr. Speaker, that in the legislation before us nothing is going to be done to resolve this difficulty of unfair allocation because the minister has emphasized today, as he did before, that no change is contemplated in the approach to the duties of the transport controller or in the powers he has been assuming under the regulations derived from this act. It would appear to me that the difficulties which arose last fall, and which have given rise to so much discussion and so much confusion in this house, can be expected to continue in the future.

Just so we might have it on the record that there was a difference of opinion and there was confusion concerning the difficulties that arose in connection with grain marketing last fall, I am going to summarize some of the divergent opinions that were expressed during the earlier stages of this session of parliament. The Minister of Transport has indicated in his observations that he agrees with the transport controller that there is no shortage of box cars. On the other hand, the Minister of Trade and Commerce, who has the responsibility for the marketing of wheat, has suggested that there is a shortage of box cars and that this was the main cause of the difficulties that arose last fall. On January 16, for example, the Minister of Trade and Commerce, in reference to this problem, stated on page 119 of *Hansard* for that date:

> Mr. Speaker, the movement of box cars in the west has improved very considerably in the last two weeks, largely as a result of improved weather conditions.

On January 27 the same minister said that our big problem now is not selling but transportation, and if deliveries of wheat by producers in this crop year did happen to fall behind last year it will be because rail transportation is not adequate.

Then on February 3 the hon. member for Prince Albert indicated that this year 31,000 fewer cars of wheat have been unloaded since the beginning of the crop year than a year ago. The Minister of Trade and Commerce replied, "Is my hon. friend just now analysing the situation and discovering that Canada is short of box cars? I announced that three months ago." On February 16 the transport controller, Mr. Milner, was quoted by the Canadian Press as saying that there was no shortage of box cars holding up prairie grain shipments.

On and on it went, with these conflicting opinions coming from the three men responsible for dealing with this problem. The Minister of Justice entered the discussion on February 19 in a radio broadcast in Winnipeg in which he said:

> Our great problem is box cars. Of these there is a great shortage both in the United States and in Canada.

As I said in my opening remarks, the Minister of Transport has assured us that there is no shortage of box cars, and he pointed particularly to the experience of the year 1952-53, when 400 million bushels of grain were moved from the west. The difficulty seems to lie in the distribution rather than in a shortage of box cars. It is an allocation problem. Certainly last fall there were plenty of box cars available for such things as newsprint. I am informed that last year we moved more than four times the quantity of iron that we moved in the previous year. This would seem to tie in with the administration policy of sending our raw materials in bulk to the United States in order to be fabricated there. These box cars were needed in large quantities for that particular task.

Mr. Marler: Is the hon. gentleman suggesting that iron ore is shipped in box cars?

Mr. Dinsdale: It is shipped in some sort of cars.

Mr. Marler: Yes, but not box cars.

Mr. Dinsdale: The minister would say, then, that the supplying of newsprint to the United States was the main cause for the large number of box cars being in the United States?

Mr. Marler: No; I was really finding fault with the hon. gentleman for mixing iron ore with grain.

Mr. Dinsdale: I believe the minister said in his observations last week that the movement of newsprint was the main cause of the relative shortage of cars for the transportation of grain.

Mr. Marler: I referred to the newsprint situation as being a drain on the supply of box cars because, as I pointed out, there was

a tendency for box cars to be used in shipping newsprint to the United States. I said that when they got down there it was very hard to get them back.

Mr. Dinsdale: It would seem to me if that is the case, Mr. Speaker, it should be the function of the transport controller to assure that a sufficient supply of box cars is kept in this country in order to move our important grain crop. It is important nationally, but it is particularly important to western Canada.

The conclusion I come to after looking at this subject objectively is that unfortunately, while the transport controller has the power under an act which provides penalties of up to $5,000 for attempts to escape authority of the regulations administered by the transport controller, he does not use this power. He has been placed in the very awkward position of being the scapegoat or whipping boy for the conflicting opinions of the various ministers concerned. The brief review I read into the record a moment ago indicates that the Minister of Transport and the Minister of Trade and Commerce have opposing viewpoints, and this situation would tend to suggest that the transport controller has been placed in this embarrassing position to get the ministers of the crown off the hook.

In reference to the confusion and the difficulties that arose in connection with the movement of our prairie grain last fall—

Mr. Knowles: Off and on the hook.

Mr. Dinsdale: Yes; off and on the hook, says the hon. member for Winnipeg North Centre. Certainly nothing that has been said in this discussion so far, and nothing we have before us in the bill, suggests that the basic difficulty of box car allocation is going to be dealt with by this legislation.

The main complaint that comes from the farmers is to the effect that box cars are not being supplied according to the number of shipping orders held at each of the elevator points. That is the issue that has come up repeatedly in this house, and it has been discussed on the past three occasions when the agriculture committee has met. We are going to continue the present policy of placing the main responsibility for the allocation of box cars with the Canadian wheat board, and it would appear that on that basis much time is going to be consumed in this house trying to grapple with the fundamental problem of permitting the grain producer to deliver his grain to the elevator of his choice.

Unless the transport controller exercises the powers that have been entrusted to him under the act and regulations this basic problem cannot be resolved. Of course the whole subject suggests that the administration has failed to grapple with the fundamental changes that have taken place in western agriculture. The other day I was impressed with the contribution made by the hon. member for Dauphin regarding this subject. He emphasized the point that production techniques have changed rapidly; that we are going to be faced from now on with the rapid movement of large quantities of grain to market during the fall period; and he suggested that if we are to cope with this recurring transportation difficulty adequately it is necessary to deal with the matter of providing terminal storage as well as inland terminal storage or, as he expressed it, off-terminal storage.

Right across the prairies during recent years the country elevators have been busily engaged in raising annexes to increase available storage space. This is an attempt to resolve this condition resulting from the changed marketing methods largely emerging from mechanization and the trend toward factory farming on the prairies, but it is not an adequate solution. Country elevators were not designed to provide comprehensive inland storage; they were designed to handle the crop on a temporary basis as it moves toward terminal facilities. Country elevators just cannot meet the storage problem as it confronts them at the present time.

The government has partly recognized this storage difficulty in the legislation that was passed in this house a few weeks ago providing for the payment of storage on a certain portion of our annual prairie wheat crop. Therefore I must come to the conclusion, Mr. Speaker, that notwithstanding all the discussion and all the points that have been raised, the government is moving in entirely the same direction as we did before. The minister has emphasized that no change is contemplated. Unfortunately the controller is going to play a secondary role in the handling of the movement of bulk goods in the country. He is primarily a member of the board of grain commissioners; he is a man experienced in the grain problems, and were he allowed to carry out his functions as contemplated in the act and in the regulations no doubt he could cope successfully with this recurring difficulty.

In conclusion, Mr. Speaker, I would suggest to the house and to the minister concerned that unless the transport controller is allowed to exercise the powers and functions that are his under this act we can expect to hear regularly from members from the west concerning this problem of box car allocation and the general movement of grain.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, when we were in committee the minister expressed a good deal of sympathy for the transport controller who had to listen to criticisms which were not always fair. I hope these remarks have been drawn to the attention of the Minister of Trade and Commerce. A good deal of the criticism that has been directed toward the transport controller with respect to his control has resulted from the failure of the government to make decisions which should have been made, and to have made it clear to the transport controller that the legislation and the orders which have been passed did give him certain responsibilities which are his and which he should discharge. But so long as the Minister of Transport and the Minister of Trade and Commerce have conflicting views regarding some of the problems which arise I am sure the transport controller must accept some of the abuse from the country.

I, too, want to express my thanks to the hon. member for Dauphin for the very constructive suggestion he made last week. I think that for some considerable time a transport controller is going to be necessary, and he is going to be up against the very difficult position of satisfying thousands of farmers who have produced grain and must sell it if they are to meet their commitments. It is very costly for individuals to try to provide storage for two or three crops on their farms and then wait for an indefinite period before they are able to sell them.

The suggestion that additional storage should be provided in the interior should receive consideration. I might mention that all the grain going to Churchill must travel through my constituency. There are several points in the area where the local people are sure they have all the facilities necessary to provide ideal storage. In the long run it would be better to have extensive storage provided on the way to the ocean ports so that some of the screenings could be used for feeding purposes and grain would be available at interior terminals when the ships reached the port of Churchill.

I do not think the transport controller should be held responsible for the fact that farmers living adjacent to the Canadian Pacific Railway are unable to move grain to Churchill. When the president of the Canadian Pacific Railway was before the railways, canals and telegraph lines committee in connection with one of the branch lines I inquired whether or not the Canadian Pacific was interested in extending the branch line from Nipawin to The Pas to connect with the Hudson bay road. His reply was in the negative.

That position can be understood. The Canadian Pacific Railway has a long rail haul from Saskatchewan points either to the west coast or to the head of the lakes, and the longer the haul and the more grain that moves over the lines to Fort William or to the west coast the more profitable the operation is, in spite of the fact that we hear some criticism about the Crowsnest pass rates. Therefore there apparently is no interest on the part of the Canadian Pacific Railway in securing running rights over the Canadian National Railways into Churchill, and the farmers along the Canadian Pacific Railway points have to live under that disadvantage. In the meantime, those of us who live in areas where there is a favourable freight rate to Churchill are able to see a good deal of our grain move there during the shipping season.

However, Mr. Speaker, I would not be taking the time of the house at this point if it had not been for the provocative remarks made by the hon. member for Provencher. Since he has spoken I have again studied the Wheat Review for March, 1956. I think the hon. member might have gone on to explain that while we have shipped from Saskatchewan points 79 million bushels of wheat since the beginning of the year compared with 15 million shipped from the province of Manitoba, it happens that we have almost seven acres in wheat in the province of Saskatchewan for every one acre in wheat in the province of Manitoba. To say that we have shipped twice as many bushels of wheat from our province as were shipped from Manitoba without recognizing the fact that our acreage seeded to wheat in Saskatchewan last year was 15,148,000 compared with 1,950,000 in Manitoba is to do queer things to statistics.

Mr. Jutras: I am sure the hon. member wants to be fair. I did not refer to that at all. All I did was to carry it a little further. I read the other line which appears under that one and gives the long-range average for the last ten years.

Mr. Nicholson: I was coming to that, Mr. Speaker. The hon. member for Provencher first of all gave the total amounts which have been shipped from Saskatchewan from the first week of August until March 14. He pointed out that twice as many bushels were shipped from Saskatchewan points as had been shipped from Manitoba points. The hon. member will correct me if I am wrong.

Mr. Jutras: It was 79 million bushels as against 15 million bushels.

Mr. Nicholson: That is right. The hon. member failed to make any mention of the fact that for the same year we had almost

seven acres seeded to wheat in Saskatchewan for every one acre seeded to wheat in Manitoba. How does he expect us to be satisfied with shipping two bushels from Saskatchewan for every one bushel from Manitoba?

Mr. Jutras: That has been the case for the last ten years.

Mr. Nicholson: It certainly is not a situation that is being accepted with any degree of satisfaction.

Coming to the other figures, I think the hon. member also ignored the fact that our shipments for the period from August 1 to the middle of March were just about one-half the shipments for the 10-year period. He glossed over that very quickly. He did say that last year we shipped 79 million bushels from Saskatchewan compared with 15 million bushels from Manitoba. In the 10-year period Manitoba shipped about 32 million bushels of wheat and Saskatchewan shipped 147 million bushels, but for both provinces the shipment for the first part of the current year represented about one-half of the amount shipped for the 10-year period from 1944-45 to 1953-54.

The hon. member for Provencher might say that it really does not make any difference whether your quota is one bushel or five bushels if you cannot get the cars, but I want to tell him that the situation is very different. If you have been able to deliver and get rid of only a 1-bushel quota while others have been able to deliver a 5-bushel quota it does make a difference. I still stand by the statistics which appeared in the March, 1956, Wheat Review. On page 6 it is pointed out that in the province of Saskatchewan 20 per cent of our shipping points operated on a 1-bushel quota compared with one-quarter of 1 per cent in the province of Manitoba.

Anyone who has engaged in the business of growing and selling wheat to make a living certainly finds that he is in a very different position if he operates on a 1-bushel quota and his neighbours in the province of Manitoba are in a position where only one-quarter of 1 per cent have been limited to such a small quota.

I think it should be one of the duties of the transport controller to do something about the situation. The province of Manitoba has had a distribution of box cars which has meant that only one point in the province is on a 1-bushel quota and 85 points are on a 2-bushel quota, while in Saskatchewan 205 points are on a 1-bushel quota and 481 points are on a 2-bushel quota.

The transport controller has at his disposal machinery by which box cars can be allocated to Saskatchewan to give us a ratio that is better than 20 per cent on the 1-bushel quota compared with one-quarter of 1 per cent in Manitoba and 3 per cent in Alberta.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, it is now conventional in this house to say, "I would not have intervened in this debate but—", and so I would not have intervened in this debate but I had a feeling of sympathy for the minister, because I thought he had become lopsided with all the criticism coming from one section of Canada and I thought it would help to round it out and bring his attention to some other parts of Canada as well.

I just want to suggest briefly that all the complaints and difficulties with respect to bulk shipments do not lie within western Canada, because there has been a situation in the maritimes concerning freight cars which I know has been brought to the minister's attention and I want to emphasize it again for two or three minutes this afternoon. I think one should do so because despite the proper emphasis which has been placed on wheat, there are also other industries in this country and in Nova Scotia we are dependent on the shipment of coal in the wintertime.

I realize that coal does not usually go in box cars, but it is a bulk shipment and we had a situation where over 500 cars were tied up in the Truro yard because there was no locomotive power with which to move them. When I was home the other day I was told by a local coal dealer that he waited 14 days for the delivery of a car of coal from Cape Breton to Wolfville, a distance of 200 miles. The fault there does not necessarily rest with the traffic controller; possibly it lies with the general manager of the railway.

The hon. members for Perth (Mr. Monteith) and Victoria, Ont. (Mr. Hodgson) and other hon. members on this side of the house complained early last winter about the lay-offs in the Canadian National Railways shops. We had a situation arise where apparently locomotives were not available. In reply to a question asked by the hon. member for Colchester-Hants (Mr. Purdy) the minister said the extreme winter conditions had tied up the railways. Some one checked the records and the number of times the snowplows went out in January and February was very small indeed. The actual situation was that there were no locomotives with which to move the shipments.

I think it was on March 6 of this year that an order was issued to have the men work six days a week, although 500 were laid off last summer. Finally we had a situation wherein 14 trains were en route at one time

between Truro and Moncton. There were no yards available in Moncton, so they stood in the sidings and the crews were out for 30 or 40 hours before they could get in the Moncton yards.

As I said, I bring this matter to the attention of the minister in order that he may have a well rounded attitude towards this problem. I want to emphasize particularly that in Nova Scotia we are dependent upon the shipment of coal for the winter markets of Canada. If a car is going to take over 14 days to travel the short distance from Cape Breton to Wolfville—I do not know whether or not it ever got there; it may still be travelling over the myriad lines of the Canadian National Railways—then something is wrong with the whole system of bulk goods shipments in the maritimes as well as in western Canada.

Mr. Clarence Gillis (Cape Breton South): Mr. Speaker, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) provoked my rising.

An hon. Member: A chain reaction.

Mr. Gillis: I may say that when the committee on railways and shipping was in session I raised this matter with Mr. Gordon. The minister was present at that time. It was suggested that since the establishment of the Canso causeway, the delivery of steel and coal from Cape Breton has been speeded up to the extent that it has created a bottleneck in Truro. The Truro yards are too small. The organization at that point is not capable of handling the speeded-up traffic from Cape Breton since the establishment of that Canso causeway.

Mr. Gordon himself admitted that fact. He said the situation was troublesome to them, that it was under examination and that he hoped that in time—and it would take time, he said—they would be able to effect a reorganization at that point and cure that situation. I had complaints similar to those mentioned by the hon. member for Digby-Annapolis-Kings. They came not only from the Wolfville area but from New Glasgow and right along the line. But according to Mr. Gordon, who appeared before the committee, the difficulty was in Truro, owing to the fact that they were not able to handle the traffic at that point. Maybe the minister has had an opportunity of checking the matter further and will be able to give us more information on it at this time before this debate is brought to a conclusion.

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

Mr. Gillis: Yes.

Mr. Purdy: When he spoke of the organization at Truro, was he reflecting on the railway employees at Truro or was he reflecting on the management?

Mr. Gillis: I was not reflecting on anyone. I was merely stating a fact that was handed on to us by the president of the Canadian National Railways. He asserted that the difficulty which was outlined by the hon. member for Digby-Annapolis-Kings and by myself was created because the organization at that point—the yards, the whole thing—was not designed to accommodate the increased traffic there is at the present time. He said they were going to do things to enlarge that centre so that a better flow of traffic would go through there.

Mr. Purdy: Naturally they should do that, because it is the most important railway centre in Nova Scotia.

Mr. Gillis: But it was designed a long time ago, when traffic was much lighter than it is at the present time. If anyone was reflecting on anyone, it was the president of the Canadian National Railways. I am merely passing on his message at this time.

Mr. H. R. Argue (Assiniboia): Mr. Speaker, the hon. member for Provencher (Mr. Jutras) referred to some remarks I made when the resolution was under discussion. Those remarks had to do with the very unfair allocation and distribution of delivery quotas as between provinces. I again repeat that the delivery quotas that are in effect—those to which I referred—as set forth at page 6 of the Wheat Review for March, 1956, show great discrimination in the distribution of these quotas. I referred to certain discrimination between provinces. I also referred—and this is something the hon. member did not mention—to discrimination within provinces.

I do not like to see within a province discrimination as to marketing quotas any more than I like to see discrimination as between provinces. I therefore advocated at that time, and I repeat, that steps should be taken by the transport controller to allocate box cars so as to more nearly equalize the quotas at the various marketing points. I have never said the quotas should be equalized, because I know that is an impossibility. However, I believe that a much better job could be done than is indicated in the quotas set forth in the document to which I have referred.

On April 4 Saskatchewan had 205 1-bushel quotas, 481 2-bushel quotas, 290 3-bushel quotas, 103 4-bushel quotas and 26 5-bushel quotas. Manitoba at the same time had only one 1-bushel quota, 85 2-bushel quotas, 118 3-bushel quotas, 85 4-bushel quotas and 86

5-bushel quotas. As of that date 61 per cent of the marketing points in Saskatchewan were on a marketing quota of 2 bushels or less. On the same date in Manitoba—although I have not worked out the figure exactly I can make a rough approximation—about 30 per cent of the marketing quotas were 2 bushels or less. In Saskatchewan 60 per cent of the marketing points were on quotas of 2 bushels or less and approximately 30 per cent in Manitoba were on 2 bushels or less.

Mr. Jutras: Take the marketings.

Mr. Argue: I am coming to that matter. Then the hon. member went on to give statistics to show, as I suggest, not that there was not discrimination in the last year but rather that any discrimination that existed in the last year was no worse than the discrimination that had existed in the previous ten years.

Mr. Jutras: Oh, oh.

Mr. Argue: That is what the hon. member was referring to. He was referring to the various quotas or the various marketings that had taken place over the last ten years as compared with the marketings in the period under discussion. If he referred to the percentage of marketings that had taken place in Manitoba during the crop year to date as compared with the total marketings for last year, he would have found that 60 per cent of all the wheat in Manitoba, on that comparison, had been marketed by the date to which he referred and that only some 43 per cent had been marketed in Saskatchewan. I hasten to point out that the total marketings this year may not be the same as those of last year; but as a percentage of the marketings last year as compared with the total for the last crop year, I repeat that some 60 per cent of the wheat was out in Manitoba and that only 43 per cent of the wheat was out in Saskatchewan.

Mr. Jutras: Put your percentage on the basis of the current year.

Mr. Argue: I am not a mind reader, so I do not know what the marketings will be by the end of July. If the hon. member for Provencher wishes to speculate as to what those marketings will be, he may do so. However, we have no statistics as to what quantity of wheat the farmers will deliver this month or in June or in July. I therefore cannot compare the figures on that basis because those figures do not exist.

Mr. Jutras: You have them for March.

Mr. Argue: Statements have been made to the effect that the wheat board is allocating box cars. May I say that the wheat board is not allocating box cars. The wheat board allocates shipping orders and the railway companies then allocate box cars. I have Mr. Milner's statement to the effect that it is the railway companies that allocate box cars as among shipping points and as among elevators at shipping points. There is discrimination in the allocation of box cars. The bulk of the discrimination stems from the fact that the railways spot box cars in a discriminatory manner. They cannot spot box cars where there are no orders. But within the orders that are sent forth by the Canadian wheat board, the railways go on their merry way dumping off box cars wherever they please, with the resultant discrimination of which we are aware.

When we met in session a few months ago and discussed the grain marketing situation, we pointed out at that time that a smaller proportion of wheat had been delivered up to that date having regard to the proportion delivered in the previous year. The minister was able—and we were glad of it—to make contracts for the sale of wheat to certain iron curtain countries. Because Canada has been able to get into that market we see the export of Canadian wheat at the present time on the increase.

Let us not get too optimistic too soon as to what its total effect this year may be. The latest marketing report came in the mail today, for the date April 25. In the current crop year to April 25, wheat was exported to the extent of 153·6 million bushels, almost identical with the amount of wheat exported to that date a year ago, 154·1 million bushels. So even if there is a very substantial movement of grain it will have to be more than substantial in order that we may market this year what everyone considers the minimum quantity of wheat necessary for us to market if we are ever to get rid of the current glut of grain.

An outstanding effort will have to be made by everyone in the grain business if exports this year are to reach the figure of 300 million bushels. Last year we exported some 261 million bushels, 4 million to 5 million bushels under the previous crop year. Three years ago we exported 385 million bushels. So a great effort will have to be made by the transport controller, by the wheat board, by the elevator companies and everyone concerned with the marketing of grain if Canada is to export this year the minimum quantity required of 300 million bushels to which I have referred.

If we have exported so far this year a quantity of wheat almost identical with the quantity we exported last year, our exports of oats are down and our exports of barley are down. I have not heard it said by anyone that our exports of oats or barley this

year are likely to exceed or even to reach the export figures for last year. We have been talking about quotas; we have been talking about markets. The fact is that the farmers of the west this year have marketed substantially less grain to date than they marketed a year ago. The figures show that the total marketings to date in the three prairie provinces are 276·7 million bushels. In the same period a year ago they were 322·2 million bushels, or a drop of some 45 million bushels.

Mr. Marler: At what date?

Mr. Argue: For the period ending April 25. Country elevator receipts are somewhat comparable. The figure to the present date amounts to 271·7 million bushels of grain as compared with 316·7 million bushels a year ago, or a drop of approximately 45 million bushels. I am hopeful that farm level marketings will exceed last year. I think that is necessary if farm income is to be improved in any way, but the statistics we have available at the present time show that an enormous shipment of grain will have to be forthcoming to marketing positions if we are in fact to market at the country level even that quantity of grain that we marketed last year.

I ask the government and the minister again to consider adopting a formula for the allocation of box cars among elevator companies so the farmers may have the right to deliver grain to the elevators of their choice. I point out again also that the present distribution of marketing quotas is very inequitable, and I express the hope that the differences may be reduced at an early date.

Mr. Marler: Mr. Speaker—

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

Hon. George C. Marler (Minister of Transport): One should not forget, despite what has been said during the course of this afternoon, that the real question before the house is whether or not the term of this legislation should be extended for two years. It is not a matter of a quota system, and it is not a matter of export sales or many of the other matters to which the hon. gentlemen opposite have just referred. The simple question is whether or not the term of the statute governing the duties of the transport controller should be extended for two years.

It seems to me, when one gets down to the root of the observations made on the other side, that hon. members essentially are in favour of continuing transport control.

I should like to deal as briefly as possible with two or three points that were raised during the course of the discussion. The hon. member for Prince Albert, in speaking about the regulations, said in effect that they were ineffectual when they were not carried into effect. He was kind enough to draw my attention to the remarks I made the other day at the resolution stage on this point. It seems to me that the point the hon. member does not appreciate is that it is necessary that the regulations should have teeth so that when the transport controller requests something orally, as he does, of the railroad companies, they will realize that the requests can be backed up by a formal directive if it becomes necessary to issue it.

The hon. member said that no formal directive had ever been issued. There was one case in which such use was made in the past, where, because there was an existing contract, a formal written directive had to be issued so the carrier in question would carry out the orders of the transport controller instead of carrying out the terms of a written contract. That is the only case.

Mr. Diefenbaker: On what date?

Mr. Marler: I am sorry I have not the date. I shall be happy to send it to the hon. gentleman if he is interested. There has been only one case in which a formal written directive has been issued. I think the fact that only one has been issued during the time the transport controller has been in office is a demonstration of the proposition that the fact that the transport controller has the powers makes it unnecessary for him to exercise them with force.

Now I should like to deal very briefly with the question of the shortage of box cars. I have endeavoured to look at this question and appraise it in the light of what has taken place in the past. I referred to the crop figures for the year 1952-53 which, as we all know, are substantially higher than those for the current year. I point to the fact that the number of box cars then in the inventory of the railways was sufficient to accomplish that movement.

I should like to give the latest figures in connection with loadings, which will demonstrate, despite all that has been said on the subject of the number of box cars, that the loadings up to date compare not too unfavourably with those of last year. These figures are as of April 27, 1956. From the beginning of the crop year, since August to that date, loadings at country points amounted to 182,160. Now I should like to break that down between the Canadian Pacific Railway and Canadian National Railways and say that the Canadian Pacific Railway total was 93,586 and the Canadian National Railways 88,574.

For the same period last year the total was 190,251, of which the Canadian Pacific Railway had 102,699 and the Canadian National Railways 87,552.

If one takes the trouble to examine and compare the two figures, one sees that the loadings this year are approximately 8,000 cars less than they were for the corresponding period in the previous crop year. When one examines the situation as between the railways, one finds there is an increase of approximately 1,000 in the case of the Canadian National Railways and a decrease of approximately 9,000 in the case of the Canadian Pacific Railway.

It has been suggested that the railroads would much prefer to use box cars for other purposes. While I think it is true that it would probably bring them in more money, I should like merely to quote a few words from Mr. Gordon's evidence before the committee on railways and shipping. The passage will be found at page 223 and reads as follows:

> Now, to indicate how serious that problem is to us, we have been under the obligation by reason of our desire to service the requests for grain of moving thousands and thousands of cars from eastern Canada empty. We have moved during this crop year a total of nearly 27,000 empty box cars into western Canada. So extreme did it get that we were taking brand new box cars fresh out of the factory. They had never carried a load and we sent them right to western Canada. Now, that cost us money, I do not mind telling you. It hurts our earnings terrifically. We have done that in an all-out effort to meet what we have regarded as a national emergency.

I could go on but I think that is sufficient to indicate good will on the part of the Canadian National Railways.

The only other point to which I should like to refer is the remarks made by the hon. member for Digby-Annapolis-Kings when he spoke about the situation in the maritimes. The hon. member for Cape Breton South was present in the committee when the subject was discussed very fully, and I shall merely summarize the situation by saying that this year we have moved a record volume of grain through the Atlantic ports. I think the total is slightly in excess of 45 million bushels, and those who are familiar with the experience in the past know that represents a substantial increase over the total of last year and of other years. That was accomplished only by a very great effort on the part of the railways in the face of exceedingly adverse weather conditions in the maritimes.

I know that the hon. member for Cape Breton South knows the situation at Truro, to which there has been some reference already this afternoon. Although Truro is not a modern yard by any means, he also knows that the climatic conditions we have had to meet during the past winter, particularly in February, March and even in April, have been unusually bad and have complicated the task of not only the Canadian National but also the Canadian Pacific in moving traffic of all kinds to the Atlantic ports. In the case of the Canadian National we have been handicapped by the fact that we were unable to get new diesel locomotives because of the General Motors strike, and that was another difficulty for the railroads to overcome.

These are in effect matters incidental to the question of whether traffic control should be continued for a further period of two years. I would suggest that while there may not be unanimity about the powers and there may not be unanimity about how they have been exercised, I think we can agree that the bill should be adopted and that the term of the legislation should be extended.

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—*Duration.*

Mr. Johnson (Kindersley): I have one question I should like to ask the Minister of Transport. Who has the final authority for distributing cars? I have a telegram from Flaxcombe, and the individual who sent it is wondering what is the matter. He says they still have a 2-bushel quota and it is not filled owing to the car shortage. Then he points out that at Marengo, the next station along the line, and at Laporte they are on a 4-bushel quota. Who has that responsibility?

Mr. Marler: The hon. gentleman asked first of all who had the power and then he asked who had the responsibility. I think there are two answers to the two different questions. I believe there is no doubt that under the statute and the regulations the transport controller has the most sweeping powers with regard to the movement of all goods in bulk, and I do not think anybody who has read either the regulations or the statute would quarrel with the assertion that under the regulations the transport controller has the power to allocate box cars in any way he wishes.

But when we come to the question of whether it is his responsibility to do so, I will say that I do not believe the power ought to be exercised by the transport controller but should be exercised by the Canadian wheat board in collaboration with the transport controller and the railways so that no one will be working at cross purposes. It seems to me it is evident that there cannot be a transport controller operating independently of the Canadian wheat board so

far as the movement of wheat is concerned; and although it is perfectly clear that the transport controller has the power under the act and the regulations it seems to me that we should continue with the allocation of box cars in the way it is being done at the present time.

Mr. Johnson (Kindersley): The minister means, then, that once the wheat board has allocated the shipping orders the wheat board has fulfilled its responsibility, and if there is failure on the part of the railways to supply cars it then becomes the responsibility of the transport controller?

Mr. Marler: I do not want to answer the question quite in the way in which the hon. member has put it. I merely say that I think the transport controller in these circumstances has all the powers that are required, which in collaboration with the Canadian wheat board can be exercised to remedy the situation.

Mr. Argue: Does the minister agree that it is the railway companies themselves that decide at any given moment how many box cars will be spotted at a given elevator? I think I am correct in the assumption that the wheat board does not in fact direct that a certain number of box cars be sent to a certain elevator. They merely allocate the shipping orders, and after that the railway companies then allocate the box cars to the companies that have shipping orders.

Mr. Marler: In the hon. member's remarks on second reading I think he outlined the situation quite correctly when he implied that in effect once the orders have been given by the wheat board the cars follow the orders.

Mr. Castleden: What would happen in a case where the wheat board gives a shipping order and the railway company does not allocate cars to the elevator at the particular point to which the shipping order has been given? If the railway fails to do that, would it be the responsibility of the transport controller to see that the cars are properly allocated or would he not interfere at all?

Mr. Marler: That question, of course, is purely hypothetical. I take it that if it were a chronic condition that was developing the transport controller, in collaboration with the wheat board, would find a remedy for it.

Mr. Castleden: I can assure the minister that the case is not hypothetical. It is something that is happening every day. Orders are sent forward by the wheat board to particular elevators at certain delivery points. However, when the railway company sends cars to that point they are not allocated to the elevators to which the orders are directed. The result is that certain elevators are getting a preference and certain other elevators are being discriminated against. I should like to know from the minister whether or not the transport controller would undertake to enforce the delivery of cars to elevators to which shipping orders have been given by the wheat board.

The Chairman: Shall the clause carry?

Mr. Castleden: There has been no reply to my question.

Mr. Marler: I thought what I had said before amply covered the question the hon. member has just repeated, and I cannot see that I can say anything more useful than the general reply that the transport controller has certain powers under the act and the regulations and I think they should be exercised in collaboration with the Canadian wheat board. I cannot conceive of a situation in which you have transport control operating in one direction and the Canadian wheat board operating in the other. I do not believe that is the situation.

Mr. Castleden: I can assure you, Mr. Chairman, it is our hope the transport controller will be able to work in collaboration with the wheat board and with the railway companies. The problem, as we see it, is that there appears to be no direction or no instruction, and certainly no enforcement of any regulations, to see that box cars are following shipping orders. There seems to be nothing to rectify what is quite evidently the basis of discrimination. I should like to know from the minister whether, if that discrimination is pointed out to him or his transport controller, he will take steps to see that it is corrected.

Mr. Marler: I suggest that if the hon. member has a specific case he bring it to my attention and I shall investigate it.

Mr. Castleden: I shall be pleased to do that. Shall I call it six o'clock?

Mr. Smith (Battle River-Camrose): I should like to point out to the minister that I have in my hand a letter written on February 22 and signed by the transport controller in which he makes this statement:

> The allocation of cars to stations or to elevator companies at a station is entirely under the jurisdiction of the Canadian wheat board.

I have other correspondence here, Mr. Chairman, which points out that certain elevator agents did have shipping orders from the wheat board but were unable to obtain cars. The transport controller tells us it is not his business and the minister says it is his business.

Mr. Marler: I said he had the power to do it, but I did not say it was his responsibility.

Mr. Smith (Battle River-Camrose): Then, Mr. Chairman, I call it six o'clock.

The Chairman: Shall I rise and report progress?

Mr. Harris: No.

The Chairman: Is there unanimous consent to proceed?

An hon. Member: No; six o'clock.

The Chairman: I hear some hon. members saying it is six o'clock. Shall I rise and report progress?

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the estimates of agriculture and public works.

Mr. Green: In that order?

Mr. Harris: Yes.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

DEFENCE AND DEFENCE PRODUCTION DEPARTMENTS—BEER PURCHASES

Question No. 415—**Mr. Bryce:**

1. Has the Department of National Defence or the Department of Defence Production purchased any beer since January 1, 1953?

2. If so, (a) what quantities in each year; (b) from what firms; (c) what was the price paid in each case?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. Apart from small amounts which may be purchased locally either for patients in service hospitals on medical prescription or out of limited grants made to service establishments in connection with official hospitality, no beer is purchased out of public funds by or on behalf of the Department of National Defence.

2. (a): In view of the small quantities involved, no consolidated records are centrally maintained.

(b) and (c): Purchases are made locally at prevailing prices from provincially licensed outlets.

CANADIAN NATIONAL RAILWAYS—DIRECTORS' REMUNERATION

Question No. 419—**Mr. Regier:**

What were the payments to each of the directors of the Canadian National Railways for the calendar or fiscal year 1955 for (a) salary or other remuneration; (b) expenses?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

The Canadian National Railways advise as follows:

Each director of the Canadian National Railways receives $5,000 per annum, being the sum fixed by the governor in council according to the statute. The properly certified out of pocket expenses incurred by the directors in the performance of their duties are paid by the company.

DEFENCE PRODUCTION—TENDER NO. H.18-14AG/60

Question No. 427—**Miss Aitken:**

1. What were the specifications on tender No. H.18-14AG/60, as called for by the Department of Defence Production?

2. What are the names and addresses of the firms that bid for the contract?

3. What were the amounts proferred?

4. To whom was the contract awarded and at what price?

5. Did the machine meet specifications as called for? If not, in what way did it fail?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Defence Production:**

1. Projector, sound motion picture 16 mm. to operate on 110 volt 25-60 cycle current, with separate 12-inch speaker in case with

cord and outlet for additional speaker, coated straight line optical system, 1,000 watt lamp, forced air cooling, F 1·6 projection lens of 2-inch focal length, clutch for still picture projection, reverse operation, silent picture operation, all gear drive, jewelled film contact points, rotating sound drum, centralized lubrication, tilt mechanism, 14-watt amplifier with microphone and turntable jacks, and meter for recording hours of operation, 2,000 ft. film capacity, reels not to extend below table level.

2. It is not the policy of the department to disclose other than the name and prices quoted by the successful tenderer.

3. Answered by No. 2.

4. Contract was not awarded, since request to purchase was cancelled.

5. Answered by No. 4.

R.C.N. MAGAZINE, DARTMOUTH—CIVIL SERVANT EMPLOYEES

Question No. 432—**Mr. Brooks:**

1. How many classified civil servants are at present employed at R.C.N. magazine (Bedford naval magazine), Dartmouth, Nova Scotia?

2. What is the name of each of these persons, the civil service classification and the present salary level?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. 27.

2.

Name	Classification	Salary
Barry, Edward Henry,	Technician 2	$4500
Cockrell, Lionel P.,	Technician 4	5160
Collier, Arthur Edward,	Assistant technician 3	3480
Dares, Fred Allan,	Technician 1	4080
Dugie, Daniel E.,	Clerk 1	1710
Fawson, Percy James,	Clerk 2B	2970
Fox, Kenneth W.,	Technician 1	4080
Garagan, Edward Jos.,	Technician 1	4080
Gay, Cecil Allison,	Technician 1	4080
Hustins, Wm. Arthur,	Technician 2	4500
Innes, Jack Alexander,	Ass't. Technician 3	3480
Joncas, Joseph Stanley,	Clerk 1	1620
Keddy, Heather J.,	Typist 1	1950
Kennedy, Margaret,	Typist 1	1830
Mahoney, Helen Dorothy,	Typist 1	1620
McDowall, Marshall E.,	Technical Officer 3	5310
O'Brien, Nancey E. Ann,	Steno.	2130
Parker, William H.,	Technician 1	3480
Pettipas, Arthur J.,	Typist 2	2760
Pottie, John Leo,	Clerk 4	3450
Power, Joseph James,	Technical Officer 5	5670
Power, Wm. Bernard,	Technician 2	4500
Shelley, Ann,	Office Appliance Operator 2A	2070
Whidden, Vivian Frances,	Clerk 3	3360
White, Elizabeth D.,	Clerk 1	1710
Williams, Walter Ralph,	Clerk 2A	2070
Wolfe, Barbara Elizabeth,	Typist 1	1830

HOUSE OF COMMONS

Thursday, May 3, 1956

The house met at 2.30 p.m.

BANKING AND COMMERCE

Fifth report of standing committee on banking and commerce.—Mr. Hunter.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO MCMAHON OFFER

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. Will the Prime Minister inform the house whether the government has received assurance from Mr. Frank McMahon that he has $50 million of equity capital now available to proceed with the pipe line to Montreal and that he is prepared to deposit an adequate bond to guarantee the completion of the pipe line as far as Montreal by 1958?

Right Hon. L. S. St. Laurent (Prime Minister): I have no knowledge of any such communication. Perhaps the Minister of Trade and Commerce might give a further reply.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have received no communication of the type indicated but I have been in touch with Mr. McMahon within the last few minutes, and he has agreed to allow me to remove the "private and confidential" from his letters. As soon as the necessary copies can be made I propose to table the correspondence I have had with him during this year.

[*Later:*]

TRANS-CANADA PIPE LINES—INQUIRY AS TO PROVINCIAL PARTICIPATION IN COST

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to ask the Prime Minister if he will inform the house whether the government has approached Premier Manning of Alberta, Premier Douglas of Saskatchewan and Premier Campbell of Manitoba in regard to the possibility of their sharing in part of the additional financing that the government is considering in extending the pipe line through western Canada?

Right Hon. L. S. St. Laurent (Prime Minister): The answer is no.

GRAIN

FINAL PAYMENT FOR 1954-55 WHEAT—INITIAL PAYMENT ON GRAIN FOR 1956-57

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, of which I have given him previous notice, hoping he could, if possible, answer it today.

Is the minister in a position to announce the final payment on wheat through the wheat board for the 1954-55 crop year? Can he also inform us what the initial payment on grain will be during the new 1956-57 crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, having received notice of the question I have been able to get certain information and can make a statement to the house concerning three aspects of the western grain marketing situation: one, the final payment on the 1954-55 wheat pool account; two, the policy of the wheat board with respect to delivery quotas during the remainder of the present crop year; three, initial prices for wheat, oats and barley during the crop year which begins August 1 next.

Dealing first with the final payment covering the 1954-55 pool account wheat, I am pleased to be able to advise the house that the Canadian wheat board propose making a cut-off as at May 4, tomorrow, and are recommending to the government a transfer of the unsold stocks, approximately 50 million bushels in amount, to the 1955-56 pool account as at that date. This action will enable the board to close out the 1954-55 pool account.

Total receipts of wheat from producers in this pool amounted to 318,439,061 bushels plus 615,839 bushels purchased from other than producers and 164,055,511 bushels transferred from 1953-54 pool account, a total of 483,110,411 bushels.

As soon as the board's accounts have been completed, I shall be in a position to announce to the house the exact amount of the final payment and the rate per bushel for each grade of grain delivered to the pool. I expect to be in a position to make this announcement about the middle of this month. According

to present plans, the wheat board will begin issuing cheques to producers on or about May 22 or 23 and will have completed this final payment about the end of this month of May.

I turn now to policy with respect to delivery quotas at country points. A very heavy movement of wheat and other grain into and out of country elevators is now under way. Deliveries by farmers will increase as road conditions improve and will continue at a high level during the balance of the current crop year. The movement of grain to seaboard is also very heavy. Our export clearances are now reflecting heavy sales commitments entered into in recent months, about which I have previously informed the house. I am not yet in a position to put a firm estimate on export clearances for the whole of the crop year but I can assure hon. members that wheat and flour export clearances will substantially exceed last year's figure of about 252 million bushels.

As a result of this heavy outward movement, the wheat board has been able to increase its grain delivery quotas very substantially in recent weeks. As at May 1 only 14 stations remained on a quota of 1 bushel per specified acre. A 2-bushel quota is in effect at 478 stations. Some 572 stations have a 3-bushel quota, 602 stations a 4-bushel quota and 400 stations a 5-bushel quota. In addition to these basic quotas, supplementary quotas are in effect covering delivery of malting barley, high grade oats, rye and various classes of seed grain. Since the beginning of the season an open quota has been in effect covering the delivery of Durum wheat and flaxseed.

Total grain deliveries since August 1 are now about 300 million bushels and the Canadian wheat board expects that space will be provided at country elevators to enable total farm deliveries of about 500 million bushels during the crop year. It is expected that wheat deliveries for the whole of the present crop year will exceed 1954-55 but that deliveries of oats and barley will fall somewhat short of last year's figure.

I have been advised by the board that although they expect that they will be in a position to accept delivery from producers of as much grain as in 1954-55, it may not be possible for them to arrange to equalize deliveries by individual farmers to the extent that this was arranged for during the past two crop years. Hon. members may remember that during last crop year the board endeavoured to provide delivery opportunities to enable all producers to deliver a minimum quota of eight bushels per specified acre. This looked like a feasible target. However, estimates of potential deliveries at many delivery stations proved to be wide of the mark, and it was not possible for the board to accept all the eight-bushel deliveries prior to July 31. It therefore became necessary for the board to issue special 1955-56 quota delivery permits to enable producers who had not delivered their eight-bushel quota prior to July 31 to complete these deliveries along with new quota deliveries during the current season.

It is always the aim of the board to equalize delivery opportunities in so far as this is possible. The board has advised me, however, that last year the attempt to reach a uniform target did have an adverse effect upon the marketing of Canadian grain in export markets. Much of the grain delivered last fall against the previous year's quota and moved to terminal positions was made up of varieties and grades not needed for immediate marketing requirements. This grain added to the congestion in storage facilities and utilized scarce transportation, thus creating difficulties for the board in moving to seaboard position for immediate clearance those varieties and grades of new crop grain for which there was an immediate and urgent demand.

In the light of this experience the Canadian wheat board have advised me that, if they are to meet market requirements and their forward sales commitments, it may not be possible to attain a uniform quota at all delivery stations during the present crop year.

The primary objective of the board will be to bring forward grain to cover sales commitments or for which there appears to be a ready demand. The board will, however, working with the transport controller, the elevator companies and the railways, continue to endeavour to achieve as high a degree of equality of delivery opportunity as is possible without interfering with the sales objective. The board will increase delivery quotas at individual stations as space is created, but will restrict shipments of grain from higher quota stations to the movement of grain required to meet commitments. In order to avoid the serious situation that arose last year, the wheat board has decided that all quotas in effect as at July 31, 1956, will expire as at that date and deliveries after August 1 will apply against the 1956-57 crop year quotas which will be made effective on August 1.

Although this wheat quota policy may result in some producers in western Canada, at the end of the current crop year, having delivered more grain per specified acre than others, there should be general agreement

that, at a time of intense international competition, the Canadian wheat board must have freedom to give preference to deliveries of the varieties and grades of grain for which there is an immediate demand and that the board cannot afford to pass up market opportunities in an endeavour to equalize farm deliveries between producers.

At this time, I also wish to announce to the house that the government has approved initial prices to be paid by the Canadian wheat board on the basic grades of wheat, oats and barley for the crop year beginning August 1, 1956, at the same level as during the present crop year. These initial prices are as follows:

Wheat—$1.40 per bushel basis No. 1 Manitoba Northern in store Fort William/Port Arthur or Vancouver.

Oats—65 cents per bushel No. 2 Canada Western in store Fort William/Port Arthur.

Barley—96 cents per bushel basis No. 3 Canada Western six-row in store Fort William/Port Arthur.

Mr. H. R. Argue (Assiniboia): I wonder if I might ask the right hon. Minister of Trade and Commerce if he is in position to say whether the storage payments the government is now making will result in total payments for wheat for 1954 being as high as in the previous year. In other words, will the final payments be as high as last year?

Mr. Howe (Port Arthur): I shall be able to announce that to the house in about two weeks.

[*Later:*]

On the orders of the day:

Mr. Argue: I wonder if I might ask the Minister of Trade and Commerce another question. Could the minister say how high the minimum delivery quotas will be made by the end of July and whether the government will consider declaring delivery points open so that the grave discrimination that will flow from unequal delivery quotas may be kept to a minimum?

An hon. Member: You are never satisfied.

Mr. Howe (Port Arthur): I ventured to predict deliveries under quota last year and, because we could not attain my forecast within the crop period, I have heard about it at least eight times from my hon. friend. So I shall make no further predictions.

HOUSING

INQUIRY AS TO MORE DIRECT FEDERAL LOANS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Public Works. In view of the press report by Gerald Waring that loans by the chartered banks for new housing are down by about 30 per cent this year compared to what they were at this time last year, is the government considering expanding its activities in the field of direct loans for housing construction?

Hon. Robert H. Winters (Minister of Public Works): I have not seen the report by Mr. Waring but, as the hon. member knows, these are matters of policy, and decisions are communicated to the house only after they are taken.

Mr. Knowles: May I direct a supplementary question to the Minister of Finance? Is he aware of the report that the decline in lending by chartered banks for housing construction arises from the advice of the central bank to the chartered banks to reduce their lending?

Hon. W. E. Harris (Minister of Finance): No, Mr. Speaker.

PUBLIC SERVICE

WINNIPEG—RATES OF PAY OF WOMEN CLEANERS

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): I should like to answer another question raised by the hon. member yesterday in regard to the rates of pay for women cleaners in Winnipeg. The rates for women cleaners are established by the treasury board on the basis of local surveys conducted by the Department of Labour in various localities.

The Department of Public Works requested a review of the rate for women cleaners in Winnipeg in September, 1955, and the report in November following completion of an extensive survey indicated that no change was warranted at that time. The rates are under constant study and would normally be reviewed again in June.

AIR TRANSPORT

OTTAWA—STATEMENT AS TO PRIVATE PLANE STORAGE

On the orders of the day:

Hon. George C. Marler (Minister of Transport): Yesterday the hon. member for York West (Mr. Hamilton) asked whether I could give the house any information as to what steps had been taken to alleviate the storage situation for private plane operators in the Ottawa area. I would reply by saying that the matter has been discussed with aircraft owners and operators in the Ottawa area, including the Ottawa flying club, but no decision in the matter has been reached.

Supply—Agriculture

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration (including advisory committee on agricultural services), $670,015.

Mr. Stanton: In taking part in the debate on the agriculture estimates, it is not my intention to take up too much time, and I do not believe I shall take my full allotted time of 30 minutes. Nor shall I give what might be termed a statistical address, offering a multitude of figures that I know few people care to listen to and even fewer people care to read. I shall leave that to the Minister of Agriculture, who is a past master in the art of conglomerating and twisting figures and statistics to suit the immediate occasion. Nobody knows what they are all about; perhaps not even the minister. It all simmers down to a little bit of addition here and a little bit of subtraction there with even some multiplication and division thrown in, and I am sure that in order to make the farmers appear better off than they ever have been he must have used much more addition than subtraction. We have been told of meetings held across western Canada in protest against the government's wheat policy. On reviewing the proceedings and statements made by different members of the Canadian Federation of Agriculture at their meeting in Hamilton one sees that the same thing could very easily happen in eastern Canada. I should like to quote a few extracts from what was said at that meeting. In the *Rural Co-operator* of January 31, 1956 I find the following:

> The federal minister of agriculture is trying to "make fools out of the farmers of this country", D. E. Stauffer, a past president of United Co-operatives of Ontario, told the annual meeting of the Canadian Federation of Agriculture in Hamilton on January 25. Mr. Stauffer urged the Canadian Federation of Agriculture to protest strongly the misleading impressions of farm prosperity given by published reports of a January 23 speech of the Canadian Minister of Agriculture.

Again I quote:

> The C.F.A. annual meeting on January 26 approved a statement noting "with regret" that the minister's comparison of cash and net farm income for the most recent five year periods "while technically correct tends to leave an erroneous impression with the public."

I quote further:

> "How long is Mr. Gardiner going to be allowed to get away with this kind of thing", Mr. Stauffer asked. "A whole year's work is thrown away when the minister gives statements like that to the press. He does it every year before the C.F.A. meeting, and it's got to stop."

[Mr. Marler.]

Eastern members have listened very attentively and, I may say, with a great deal of interest and sympathy to the debate with relation to the difficulties of the prairie farmers which has taken up much of the time of the house since January 10. After listening to the debate yesterday on the distribution of box cars I am beginning to wonder whether there has not been a word spoken in the house for every grain of surplus wheat there is in the western provinces.

Mr. Charlton: Mr. Chairman, I wonder whether we could have a little order.

The Chairman: Order. It is very difficult to hear the hon. member. At the same time, if he did not refer so extensively to his notes perhaps he might himself command a little better order in the chamber.

Some hon. Members: Hear, hear.

An hon. Member: That is a fine bunch to be applauding.

Mr. Stanton: I am referring to notes and I have noticed that many hon. members on the other side of the house, especially the cabinet ministers on the front bench, refer to notes all the time.

An hon. Member: They read their entire speeches.

Mr. Stanton: We fully appreciate the fact that many hundreds of farmers in the three prairie provinces are experiencing very difficult times. It is no secret, it is a known fact to everyone that the whole economy of the west depends on the prosperity of those living in the rural districts and their ability to dispose of their wheat or at least to deliver a sizeable quantity of their crop to the elevator.

From listening to different members and looking over reports concerning the prairies we know that there are many millions of bushels of wheat still on the farm and that many hundreds of farmers have received very little and in some cases no cash for their crop for a year or more. Is it any wonder that the farmers are not only asking for but demanding, although in vain, cash advances on farm stored grain? I admit that guaranteed bank loans will be of some help. That is why we the official opposition supported the resolution; but it will not solve the financial difficulty and stress that many producers find themselves in at the present time. The wheat they have in storage on their farms is in fact equivalent to their hard-earned dollars of the past year, and in some instances for a longer period. No wonder they object to paying interest on

their own money. I have been in communication with many western wheat growers and they seem to be all of the same opinion, regardless of their political affiliations, namely that the wheat board should advance them cash on the grain stored on their farms.

While western agriculturists at the present time are subjected to all this difficulty, that is not saying that everything in eastern Canada is rosy; not by any means. The farmer in eastern Canada—and I have in mind now the dairy farmer—has his many problems owing to reduced revenue and rising cost. The dairy farmers in eastern Canada would and could feed many millions of bushels of western grain if they could get for their milk products a remuneration comparable to the cost of grain they buy. Every farmer is well aware of the fact that if he purchases feed grain at $3 per hundred, which is the price in the east at present, and has been for quite some time, he must receive the same price per hundred for his milk in order to make it profitable for him to purchase. Today the farmer who is producing milk for butter, evaporated or powdered milk or cheese receives from $2 to $2.40 per hundred net. Hence it is utterly impossible for him to buy grain at $3 per hundred and receive an average of approximately $2.25 for his products.

At this time I should like to give some statistics with regard to the price paid in one of the three concentrated milk plants in my own county in order to show the committee the difference in price of milk at the present time as compared with that in 1951. In 1951 the top price in this one particular milk plant was $3.25 per hundred with a low price of $3.15. I am taking the lowest price paid that year. In 1952 the price dropped to $2.75 or a drop of 40 cents per hundred. In 1953 the price dropped again to $2.33 per hundred or a net drop of 82 cents from 1951. In 1954 the price dropped to $2.34 per hundred or a net drop of 81 cents from 1951. In 1955 the price was $2.43 or a drop of 72 cents from 1951.

Taking into consideration the total number of pounds of milk shipped to this milk plant in those four years, the net loss to the shippers to that plant was $1,322,653 or a net loss per year of an average of $330,000.

In my county we have three milk plants of practically comparable size. Therefore the loss to the dairy farmer in Leeds county, or its borders, in the three milk plants is $1 million per year. Cheese also is an important product in my county, as well as in other parts of eastern Canada—as you know, eastern Ontario has the banner cheese-producing county in Canada. Things are not altogether rosy for the cheese producer either. In 1951 the average price for cheese milk was $2.74 per hundred. In 1952 it was $2.16; in 1953, $2.14; and in 1954, $2.20. When you take into consideration the amount of milk that is purchased in Ontario to make cheese you will see that the loss in those four years was $3,625,200 annually. Therefore, Mr. Chairman, that proves conclusively to me that there has been a reduction in the purchasing power of the dairy farmers of Ontario, particularly of eastern Ontario.

I say to my western friends, if we in the east were to receive a fair and comparable price for our produce we could take care of many, many millions of your western grain surplus. In fact, we would have to increase the grain rations to our herds of cattle by an average of only three or four bushels a day for each farm to take care of a least 50 million bushels of your surplus. I have heard many farmers make the statement that they would like to feed their cattle, especially the dairy cows, more grain but they could not afford to purchase it.

Few people who have not had the experience can visualize the overhead cost of a dairy farmer. He must provide storage for his hay, grain and silage and stables for his cattle. The cost is terrific and now that farm labour is so scarce he must have his farm well-equipped with machinery, not only seeding and harvesting equipment but very expensive machinery for his forage crops such as hay and corn. This runs into many thousands of dollars.

If a young professional man, or a man working in industry at a fair salary or wage, wants to build or purchase himself a house he can get a loan from Central Mortgage and Housing Corporation up to 90 per cent of the value, but if a young man wants to purchase a farm he can get a loan of only 60 per cent of the value from the farm loan board. Why is this? Why the discrimination? It must be that the government thinks the earning power of the man in business, or the man who works in industrial plants, is greater and more secure than that of the man on the farm. If this is so, it is about time they gave some consideration to the needs of agriculture so that the earning power of the farmer will be equal to that of people in other walks of life.

A young man may buy a farm now with the ordinary down payment, and by the time he gets it stocked with cattle and equipped with the necessary implements and before the mortgage is discharged, he has paid the equivalent of the amount of the mortgage two or three times in interest and, in many instances, at his death he is compelled to leave a portion of the mortgage for his son

to finish paying. That has happened quite often. Is it any wonder that the farmers' sons are not staying at home to carry on where their fathers leave off? I hope the time will not come when it will be the survival of the largest. Surely there is a place in our rural districts for small-sized family farms; but I am afraid they are fast disappearing. Why? Because the farmer and his son or help, whichever it may be, on the ordinary farm cannot make his revenue meet his expenses.

Farmers to the number of 205,000 filed income tax returns for 1953 showing an average net income of $2,125. Of this number, 135,000 with an average income of only $1,244 were not taxable. Those who do file income tax returns are the largest and most successful farmers, and yet they earn only an average income of $2,125. But that is not all. We must realize that it is not the farmer or the head of the house, who earns this income; it is the earnings of the whole family, his wife and family combined. I think it is high time that the farmer's wife, who works long hours on the farm and helps her husband and looks after the family, should be allowed $250 as an exemption in income tax as are other wives who work in offices, shops or factories.

Then, there is the smaller farmer, his wife and family, who are earning an average of only $1,244 or less. A man who is slightly handy can go down town and buy himself a hammer, a saw and an old rusty square and earn far more as a carpenter's helper, working only eight hours a day, five days a week, than he can on the farm at the present time.

Whenever the Minister of Agriculture speaks he always averages the years 1951, 1952, 1953, 1954 and 1955. He is very careful not to present the economic picture of the last three years when the net farm income declined around 60 per cent. I have a machine price list in my hand. In 1941 a binder could be purchased for $253.50. At the present time anybody who has had anything to do with farming and with farm machinery knows that the price has more than doubled. At the present time we pay $550 for a binder. There has been an increase from $253.50 in 1941 to $550 at the present time. That goes for all kinds of machinery that the farmer must buy to carry on his farming activities. It is not so much the number of dollars a farmer owns, it is the purchasing power of those dollars that count.

In 1901 the farm population was 45 per cent of the total population. In 1951 it was only 19 per cent. But the lamentable part of the story is that 19 per cent of our population today is receiving only 6·8 per cent of our gross national income, which is out of all proportion. In fact, from 1951 to 1954 the farmer's share of the gross national income has dropped from 13·6 per cent to 6·8 per cent, and still the minister has the audacity to tell the house and every public meeting that he addresses that there is nothing wrong with agriculture.

There were more unpaid taxes in the rural municipalities of eastern Ontario in 1955 than there had been for many years, and I presume that is true of all farming districts of Canada. Also, many grocery and hardware stores in the rural villages are going on a cash basis, which is a very good criterion of the diminishing purchasing power of the farmers.

It has been so long since eastern Canada has had a minister of agriculture that we in the east are beginning to wonder whether the minister is of the opinion that there are no farmers in the east at all. I believe we have not had a minister of agriculture in eastern Canada since 1911. If the Conservative party does not appoint one from eastern Canada after the next election—surely we are entitled to one in every 50 years—they will certainly hear from me.

The heads of the different agricultural associations have been doing a wonderful job in creating better public relations between the urban and rural districts. They have gone a long way in dispelling the suspicion that the farmer was getting too much for his products. Now the minister runs around telling how well off the farmers are, how much better off they are now than they were years ago. He does more harm in one of his speeches that is broadcast on the radio and printed in the press than the public relations association can rectify in a whole year.

Mr. Knowles: And he does it just about once a week.

Mr. Stanton: Mr. Chairman, in my constituency we have a very large turkey industry at the present time although I would not say it is thriving because we do not have ample protection for poultry, especially turkeys. If the duty were sufficient to protect the turkey growers in Canada, it would expand into one of the great industries of this country, consuming much of the surplus grain that the prairies have at the present time.

In 1954, Canada imported over 5 million pounds of turkey from the United States; in 1955 she imported double that, or 10 million pounds. Now, what do we have in 1956? Up until February 11, the market report shows imports of 422,000 pounds, and for the same period in 1955 it was 96,000 pounds.

The official prediction from the United States department of agriculture is for an increase of 6 per cent in turkeys raised this year. With the Canadian tariff as it is, at 12½ per cent ad valorem, if there were a break in the United States market owing to the tremendous amount of turkeys being raised this year the duty might well drop to three or four cents per pound.

I think that the turkey growers, of whom there are now a considerable number in Leeds county—and there will be more if they are adequately protected—are not asking for too much when they suggest that the tariff should be 12½ per cent ad valorem, but not less than five cents per pound.

Under the present tariff, turkeys may come into Canada at a very low tariff when the price is lowest in the United States, and this may have a very damaging effect on our market here. The farmers are reasonable when they ask for protection only comparable to other industries in Canada. This they must have, if they are going to survive and play their part in expanding this country in the next fifty years, making it the great nation that we all visualize.

It is time the government woke up to the fact and admitted that all is not well with our basic industry. It is time it realized that there should be more equality in the distribution of our gross national income. Surely the government must realize that much of our present industrial prosperity can be attributed to credit buying. Without a very strong agricultural economy, I hesitate to imagine where this whole Canadian economy may drift.

Mr. Hosking: Mr. Chairman, I have a few remarks to make on item No. 1 of the agriculture estimates and though I think my remarks will primarily be of interest to hon. members from the province of Ontario some of the topics which I discuss will no doubt be of interest to all the farmers in Canada.

The first suggestion I would like to make to the Minister of Agriculture would be that he broaden the broadcasts which occur at the luncheon and dinner hours regarding the marketing of livestock on the Toronto stock exchange. The reason for this is that the beef producers of Wellington county have sent a resolution to me asking not only that the price be given but that the number of beasts which are sold at that price be recorded. This would give the farmers some idea of the quantity of stock that is being handled and at what price that stock is being sold.

I feel there is great merit in this recommendation. I realize that these broadcasts are not paid for by our government but are handled as a news item, but I believe that the department does furnish the various radio stations with this information.

The second point I have been asked to bring to the attention of the minister is that truckers are presently required to have their trucks disinfected after delivering stock to the stockyards. This requires that the trucks be washed. Many of the truckers buy cattle at the stockyards and on the return trip transport them back to the various farmers who require feeders. After they have been washed, the bottoms of the trucks are very slippery. Although I realize it is not the responsibility of the dominion government to look after the stockyards it might recommend to the provincial government that some sand be made available to the farmers which they could throw into the bottom of the trucks in order that they would not be slippery after the disinfecting process. Again this seems like a reasonable request to me, and I submit both problems to the minister.

Mr. Drew: Mr. Chairman, on a question of privilege, I wonder if Your Honour will consider the effect of a situation in which there is no minister of the crown in a position to speak on behalf of the government. I understand that our system calls for a minister of the crown to be present in the house and to be able to speak on behalf of the government at any time during a debate in this house, and there is no minister present at this time.

Mr. Hosking: Mr. Chairman, I am quite sure that a minister will be here in a minute or two and if I may I shall carry on.

Mr. Nicholson: I think it would be a courtesy if Your Honour would give a ruling on the question that has been raised by the Leader of the Opposition.

The Chairman: I am unaware of any rule or citation which requires the presence of any particular members in the house at any particular time so long as there is a quorum in the house. Perhaps the Leader of the Opposition will be kind enough to direct my attention to the rule or citation which he had in mind when he raised this alleged question of privilege.

Mr. Drew: Mr. Chairman, I would point out that it is part of the tradition of parliament that there shall be someone in a position to speak on behalf of the government at any time in the house. Under our system of collective government responsibility any minister of the crown can speak on behalf of the government and does so on behalf of the whole government.

I submit, Mr. Chairman, that no rule or reference is necessary to emphasize the fact

that our parliamentary system cannot function effectively and properly unless there is a minister of the crown present.

Since I raised the point one minister of the crown has entered the house; therefore the point does not need to be dealt with of necessity. But I would ask Your Honour to consider the point I have raised and express your opinion at an appropriate time as to whether it is proper under our system of responsible government, in which the government is responsible through some minister for what may arise at any time, to be conducting a debate when no minister of the crown is present.

The Chairman: I shall be very glad to consider the remarks of the Leader of the Opposition. I might immediately point out to him, however, that in the appointment of parliamentary assistants I understand that the assistant to a minister is so appointed to assist the minister of the crown in such manner and to such extent as the minister may determine, and to represent his department in the House of Commons in the absence of the minister. I make that comment immediately, but I shall be glad to take the remarks of the Leader of the Opposition under advisement.

Mr. Drew: Mr. Chairman, since you are taking it under advisement and have raised a question with regard to parliamentary assistants, I would point out that the presence of a parliamentary assistant has nothing to do with the point raised. Our system of the responsibility of the government implies the joint responsibility of all ministers and the capacity of a minister of the crown who is under a special oath in relation to that office to be able to speak on behalf of the whole government. That is where our system of government is clearly distinguished from that of the United States or from similar systems. Our system calls for the possibility of an answer by some minister capable of speaking on behalf of the government collectively.

The parliamentary assistant has certain duties and can speak in connection with certain limited matters on behalf of the minister to whom he has been appointed as assistant, but he is not sworn to the privy council and certainly is not in a position under any circumstances where he can speak with responsibility and authority on behalf of the government.

Mr. Gardiner: Mr. Chairman, I was in my office for a little while getting some information in case someone would ask some questions that had to do with what is before the committee at the present time. When I went out the hon. member who was speaking was not dealing with my estimates at all and under the rules of this house he really should not have been allowed to continue.

There is nothing before the house at the moment as the house is in committee. I quite agree with the Leader of the Opposition when he says that when the house is sitting there should always be a minister present, and there should be a minister here while the house is in committee but not for the reason mentioned by the Leader of the Opposition.

There is only one thing under consideration, the estimates of the Department of Agriculture. The only questions which can be asked properly while the house is in committee on the estimates of the Department of Agriculture are questions related to those estimates. My assistant who is sitting beside me is quite capable of answering any question which any member of the opposition may be asking in the same manner as I would answer it, or perhaps in many respects much more effectively than I could do it.

Mr. Drew: I think there would be agreement on that.

Mr. Gardiner: There would be agreement that probably my hon. friend has more difficulty in putting up with the answers he gets from me than he would with the answers from most people, but that is the answer which the opposition is called upon to put up with. When the members of the opposition ask questions, they get answers which sometimes suit them and which sometimes do not. I want to assure the Leader of the Opposition that if he or any member of the official opposition has any question to ask about anything my assistant is quite capable of answering it.

Mr. Drew: Mr. Chairman, since the matter is under consideration and under advisement I would point out that the remarks of the right hon. minister have no bearing whatever on the point raised. I am quite sure that there would be many who would agree that there are a number of hon. members who are not sworn to the privy council who would be infinitely better in the position of Minister of Agriculture. But that is not the point. The point is that our system provides for the possibility of a question being asked at any time which may call for an answer from the government. Whoever the minister may be, I submit that while the house is sitting with the Speaker in the chair, or in committee, a minister should be present and be in a position to speak on behalf of the government. I merely raised the point that no minister was present. We welcome the return of the Minister of Agriculture but that does not in any way change the point that I have raised.

Mr. Gardiner: Mr. Chairman, just in reply to what the Leader of the Opposition has just said, I can assure my hon. friend that there are other members in this house, particularly on this side, who would do just as well in the position I am occupying, and I can assure my hon. friend that there are many members of his own group, although that group is not very large, who could fill his position much better than he fills it.

Mr. Drew: That is the type of cheap and tawdry remark we might expect from you.

Mr. Gardiner: Just as cheap as yours.

Mr. Knowles: Mr. Chairman, since you are going to study the point may I ask you to give consideration to a couple of citations which may have a bearing on the matter. It seems to me that the Leader of the Opposition was perfectly right when he said that by custom at any rate there should always be a minister of the crown in the house. I think it is always accepted, as well as being laid down by the rules, that a committee of the house is an extension of the house and is governed by the same rules. The Minister of Agriculture cannot evade this question by saying that we are in committee rather than in the house.

It seems to me that the point made by the Leader of the Opposition is particularly true and carries particular force at the present time because we are dealing with the estimates. We have before us a resolution dealing with the expenditure of money. I would ask you to pay attention to section 54 of the British North America Act which has to do with the voting of money and which makes it clear that that can be done only at the instance of someone who can indicate to the house the recommendation of the Governor General. I would also draw your attention to citation 479 which reads:

> Supply resolutions are submitted in the following terms: "Resolved that a sum not exceeding . . . be granted to His Majesty for . . . for the year ending 31st March, 194 ." Each resolution is moved by the minister for whose department the amount is to be voted.

Obviously under that citation we can only be discussing the estimate now before us if it is moved by a minister. It seems to me that it would follow that that minister should be here for the discussion on that estimate.

The Chairman: The Leader of the Opposition interrupted the hon. member for Wellington South on a question of privilege. When I asked him to give me the rule or citation covering his question of privilege he was unable to do so, but he referred to what he called the tradition. I said previously that I would take his remarks under advisement, but I think hon. members will agree that there is no compulsion to interrupt the proceedings of the committee except for the lack of a quorum. I do not think we need labour the point at greater length and I will see the hon. member for Wellington South.

Mr. Gardiner: The hon. member or Winnipeg North Centre has raised a question, and in order to keep the record straight may I say that I was in the house when the resolution was moved on February 10 last, when I spoke to it, and I was in the house when it was moved today. There certainly is not any rule, regulation or anything else which prevents a minister who is before the committee leaving the chamber and allowing his assistant to take charge for the time being. It may be essential or advisable that some other minister should be here, as was suggested by the Leader of the Opposition, but it certainly is customary in this house for the assistant to a minister to take charge of estimates while the minister is out of the chamber on other business.

Mr. Macdonnell: Mr. Chairman, may I express the hope, notwithstanding the fact the right hon. gentleman has just laid down the rule to be followed, that you will pursue your inquiry and let us know the results.

Mr. Hosking: Mr. Chairman, I wish to thank the Leader of the Opposition, who has a home in my riding and whom I rather fancy I represent in the house, for causing a delay so the right hon. Minister of Agriculture could go to his office and be able to return to hear my remarks. However, I cannot allow the Leader of the Opposition to suggest that there is anyone in this house on either side who can do more for the farmers or who has done more for the farmers than the present Minister of Agriculture. The people of the whole of Canada know what a good fighter Jimmy Gardiner is. They admire him for it. They do not always agree with him, but no one can say that he has not fought for the farmer down through the years, in a way which has been a credit to those that he represents in agriculture.

If I might return to my discussion of a few points that I think are interesting to the farmers in our country, I should like to speak for just a moment about some observations that I made while I was in Europe. I took a trip abroad last summer during the recess to see and to learn about some of the conditions that exist in other countries, and I should like to pass on a comment or two on these, comparing them with the conditions in our own country.

The first I should like to mention has something to do with the fall fairs that our Department of Agriculture does a great deal to promote. There are larger fairs like the Royal Winter fair, and I was pleased to hear the address made by the Minister of Finance at the last Royal Winter fair, where he was prepared to listen to the requests of the governing body of that fair that they need a new addition to their coliseum. People who attend that fair know very well that the coliseum is inadequate, and it was very gratifying to listen to him take the lead in letting the people know that our Department of Agriculture appreciated this need and that it might, if conditions were right, be prepared to assist in seeing that an enlargement was carried out.

Turning to the use of this fair, I should like to discuss for a moment or two what I have seen abroad and how it compares with what we do here. I spent a week in Denmark and, thanks to our minister there, I was permitted to visit some of the hog feeding stations and to discuss how they have managed to raise those beautiful Landrace hogs. I was informed that the farmers themselves felt that, if they were going to market their product, they had to produce a hog they could sell. One advantage that Denmark has over us is that it has a good market for sow belly, the type of meat that we find difficult to handle and get rid of in this country. The German market is close to Denmark, and is a very good market for what is more or less a waste part of the pig in Canada.

They had to do two things. They had to capture the British market, and therefore they had to produce good bacon. There came a time when they had to get United States dollars, and the only source of United States dollars that they had in that country was for hams, and so they had to produce a pig that had good hams as well as good bacon in order to get United States dollars. The farmers of that country decided that they would set up stations that would feed test hogs so that they would produce the best type of hog for bacon and ham. Three or four years ago, before they needed the United States dollars, they produced a hog with a Wiltshire side of some 36 inches in length. For the benefit of hon. members I might say that we produce in Canada a grade A hog, one that has a side of 29 inches. A good hog in Canada has a side 32 inches long.

They have been encouraged to breed this type of hog because fairs and shows in that country will give prizes to hogs only on their performance. They do not give prizes to hogs on appearance. Let me ask the minister to speak to the judges, if he thinks it is wise, in regard to changing the method of judging hogs in Canada. In Denmark a hog to get first prize, has to be the type of beast that will cut up and make good Wiltshire sides with good hams.

Let me quote a few figures. At the Toronto show we had some hogs exhibited by Prince Edward Island, in the Todd trophy class. Prince Edward Island had 16 exhibits and won 13 prizes. This class is judged on the carcasses, so that the judges can view the ham and the bacon side. With regard to the Brethour trophy we had a similar situation where the hogs from Prince Edward Island entered in some 15 classes won, I believe, 12 prizes. Yet in the live classes similar pigs from the island did not get one first-class award. So I would ask the minister, considering the donations we make to these fairs, whether it would not be wise to ask the judges whether it would not be better to give prizes to live hogs for the type of hog that when killed will give us good bacon and good ham.

I also learned some other things when I was in Denmark. The Danish farmers told me that they had to buy our feed grain, ship it from Canada to Denmark, feed it and then send the dead carcasses back to England in competition with our pork. I asked them how they managed to do this. They said, "Well, there are two or three things that we do a little differently from you people. One is that we must feed carefully. We cannot feed our hogs in a wasteful manner. We have learned that it takes two pounds of feed to put a pound of pork on a pig that weighs 50 pounds. It takes five pounds of feed to put a pound of pork on a pig that weighs 200 pounds." So, if we are going to be efficient, we must ship out lighter weight grade A hogs.

At this point I should like to commend the minister for the stand that he has always taken in supporting our farmers when they produce grade A hogs. It is very important that we continue this bonus even when other governments have seen fit to withdraw their donations for grade A hogs. I should like to recommend that we double our payment to $4 on grade A hogs—that would give an extra $2—in order to encourage the farmers to proceed along the route on which they have now started in Canada. They realize, and with good sense, that we have to produce a type of bacon which the Americans like. We are able to sell our hogs now in the United States market and get 4 to 5 cents more than the Americans can get for their fat-fed hogs. Our farmers have done a good job at working to produce grade A hogs, and this would be a tremendous encouragement for them to continue to do that. I would not want to take credit for suggesting this for the first time,

because four years ago Mr. Arnold Darroch, the member at that time for Wellington North, recommended this program.

Since I have been abroad and have seen what can be done with careful feeding, and with fairs that are judged on producing a product which when killed is what is desired rather than for it's good looks when it is alive, and by seeing the type of Danish pig that has taken away from Canada our market in Great Britain, I think it is well that we make moves to assist our farmers to produce a similar pig here. I believe that next year the method of buying by the British government will end and that the private buyers of Great Britain will be coming to Canada and looking for their own goods. Farm products will not be bought by the government any more. If we have the type of pork the British want, and I am now referring to side bacon, we will have a chance to recapture the market that has been lost to us for the past three years. At least we will be competitive, and we will be able to be proud of what we have done.

When I was in the United States a year ago I discovered that the Americans were selling a Canadian type of bacon there, a product which they were advertising very strongly. This suggests the Americans envy the program of producing leaner bacon which your department has encouraged and to which the farmers have co-operated so well. If we encourage our farmers to be a little more efficient in feeding their pigs and to sell them before they get too heavy so that they do not eat too much and put on that last few pounds, we will not have hogs with 30 to 40 pounds of fat. A grade A hog generally turns out to have about 20 pounds of fat on the carcass which cannot be sold as pork. A grade B hog has about 30 pounds of fat and a grade C hog about 45 pounds of fat. It is generally in the last stage of feeding pigs, in what might be termed the inefficient stage, that the fat is put on. All of these suggestions that I make hinge on the production of more grade A hogs in the hogs that are raised.

Coming back again to the question of the fairs or shows that we have, in Scotland and northern England a wonderful market has been created for show cattle. I think most people agree that the British Isles have brought about a wonderful market for show cattle. They have gone to great pains to create that market, but I do not think many people in Canada feel that this type of show beasts we buy from these markets are good cattle to put in our barns and pens and feed to be killed for beef. There are not many people who want to buy the beef that comes from these show beasts and use it in their homes. There is a perfectly good reason for that. It is much too fat.

However, Great Britain is a small country and they have produced this type of beast because it catches the fancy of the wealthy American and Canadian show buyer, and we have followed suit in judging our show beasts. I do not think there is anything that has been more harmful with respect to the type of cattle we wish to market than the type of show beast that we have raised in this country. Exactly the same thing is true of hogs. We have not paid enough attention to the carcasses of these show beasts and what we get out of them when they are killed.

There is one more thing we do that I should like the minister to look into. When we kill a grade A pig we measure three fingers from the H bone at the hip, cut it off there, and that is considered the ham. We go to the third rib from the front shoulder, we cut it off at the centre of the third rib, we then have a side and a shoulder. If we follow that plan in cutting the shoulders with regard to the long Danish hogs that are 36 inches in length we have a front shoulder weighing somewhere about 44 pounds. The reason for that is that the Danish pig has been bred in such a way that each vertebra takes up more room and by cutting at the third rib on a long pig you have added a lot of extra shoulder.

The Danes have got away from that. They measure three fingers from the first rib and cut it off there in the same way as is done in the case of the rear quarter. On a long-vertebrae pig, that may mean cutting it at the second rib. So they get about four pounds extra of good side bacon. We should look into that situation. I think a committee could well be set up to look into the matter of supplying information to the farmers with regard to producing the best beasts and the actual amount of profitable meat they get out of them.

I would hope that these matters would receive some consideration during the next year. I should like to mention one other thing that is troublesome to our farmers, the price of butter, the price of cheese and the price of powdered milk. I would ask the minister to look very carefully at the situation with respect to cheese and powdered milk: I believe that in the opinion of most people the minister has done an excellent job with his butter program, but I would not want anyone to think I was recommending the same treatment for cheese and powdered milk. There might be some other way that this problem could be handled.

An hon. Member: Tariff.

Mr. Hosking: I would ask the minister to look at that matter carefully and see what he can do.

Mr. Johnson (Kindersley): Mr. Chairman, at this stage of the minister's estimates I propose to deal with one specific problem which is related to agriculture in all Canada. My colleagues have dealt and will deal with other aspects of agriculture in our Canadian economy outlining the decline in our share of the national income and making suggestions which we would like to see adopted to improve the welfare of agriculture. I am pleased to note that the hon. member for Wellington South has been listening to some of the speeches made by members of this group and that he too advocates an increase in the premium on grade A hogs. That is a view that has been voiced by members of this group.

The hon. member said that he had had the opportunity of visiting Denmark but I wish that he had travelled a little more throughout the countryside of Ontario so that he would have a better appreciation of agriculture. I noticed that, particularly when he used terms such as "dead carcass". Personally I have never seen a live carcass. I was wondering where he got his terminology.

He also took the opportunity to express his congratulations to the Minister of Agriculture and I noticed that the hon. member for Leeds was quite envious of the fact that the minister represents western Canada. If a poll were to be conducted among the farmers of western Canada I think you would find they would be only too pleased to give the hon. member the present Minister of Agriculture so that the people of Ontario could have him.

The problem I wish to deal with specifically is a very important one and it can only be brought up at this stage because it concerns several items of the minister's estimates. It is related to the present congested condition we have on western farms and perhaps that is one reason why the government has not been too active in trying to solve the problem. I wish to deal more specifically with the tremendous inroads that weeds have made on the agricultural economy. This is particularly important now because of the decline of agriculture's share of the country's income. The farmers do not have the finances with which to carry out proper cultural practices to eradicate the weeds that are making such inroads. The matter is of direct concern to farmers in all parts of Canada because many of the cultivating operations that they perform are directly aimed at eradicating weeds so that the crops they plant will be able to benefit from the available moisture. The municipalities in all parts of Canada—including your counties in Ontario—are familiar with the problem of weeds along country roads and in the fields. I think we should make a brief survey of the magnitude of this problem in relation to the Canadian economy. Mr. H. E. Wood, chairman of the Manitoba weeds commission in 1953 pointed out this, and I will quote from the *Manitoba Co-operator* of June 30, 1955:

> Mr. Wood said he had undertaken an estimate of the toll weeds extracted from prairie agriculture. On the basis of the 1953 crop, the cost of weeds amounted to $255 million, or for the 248,000 farms, an average of $1,028 per farm.

That is one of the factors which is certainly drawing down the agriculturalist's share of the national income. It has been estimated that wild oats are a direct cost of over $500 per farm. I think the minister is aware of conditions which exist in his own area and which are prevalent in my area where farmers are forced to go out and cut out acres of badly infested sloughs in order to prevent the reseeding of the wild oats. There are areas which have been virtually taken out of cultivation because of infestation by this weed.

Mr. A. H. Martin, director of the crops, seeds and weeds branch in Ontario, has estimated that weed losses in that province are $4.65 an acre or approximately 14 per cent of the field crop value.

It has been estimated that the over-all cost of weeds far exceeds the combined losses due to insects and disease. I think we can appreciate the magnitude of that problem when statements such as that are made by people in responsible positions. The individual farmer, of course, is very much aware of the impact of weeds on his agricultural production. When chemical weed controls were first introduced we found the farmers receptive to their use. In the early years of chemical weed control we were advised not to use 2,4-D on flax. The farmers were so far ahead of scientific research that they found that, by reducing the application, 2,4-D was extremely effective for use on flax.

The municipalities are closely associated with this problem. I have a letter from Tramping Lake, Saskatchewan, written by Mr. Ralph Fluney, councillor for division 2 of rural municipality No. 380. He writes as follows:

> This municipality 380 spends about $2,000 each year trying to kill this weed. Other R.M.'s adjoining ours spend more and in and around Marsden they have gone broke trying to kill this weed. I have some patches on my own land and know what I am talking about.

The debate which we had in the early part of this week ties in closely with this problem that the councillor for the rural municipality of Tramping Lake points out,

namely that the final responsibility is apparently resting on the shoulders of the municipal authorities. They have the responsibility for appointing weed inspectors and for acquiring and utilizing chemical weed controls through high-pressure sprayers so that these weeds which are showing up in the municipality and which are a threat to the welfare of the individual farmers in that municipality can be controlled. It also is the responsibility of rural municipalities—and they are accepting it—to build municipal seed cleaning plants, something which of course puts another direct cost on the farmers, and hence on the municipal authorities.

I think we should make a study into the infestation of noxious weeds in the various parts of Canada so that we would be in a position to suggest to the science service and to the experimental farm service what action they can take to deal with these problems. The worst weeds that we have in Saskatchewan at the moment are toadflax, Russian knapweed, hoary cress and leafy spurge. Toadflax is one that is very prevalent in certain areas of the province. Toadflax called *linaria vulgaris* was found in North America as early as 1758. The first specimen was collected in the University of Saskatchewan herbarium in 1918. The weed survey in 1955 states:

> This species was found to infest 134,602 acres in 4,583 quarter-sections in 78 municipalities within the surveyed area.

It has established itself since 1918 to cover nearly 150,000 acres. A resurvey was made in 1955 and the results of that resurvey are frightening:

> In R.M. No. 372 the number of acres infested increased from 114 to 311 from 1952 to 1954, while the number of infested quarters increased from 83 to 108 . . .
>
> In R.M. No. 440 the number of patches increased from 2,650 to 9,869 from 1949 to 1953, while the number of infested quarter-sections increased from 607 to 729.

That gives us some idea of the inroads that this weed is making in the agricultural economy, because once your land becomes infested with toadflax, virtually nothing can be done about it with the present knowledge we have. The agricultural representative service in the province of Saskatchewan is providing an invaluable service in organizing a front-line attack against these weeds. They are working closely with the agricultural committees of the rural municipalities to discover and to control patches. In fact, the agricultural committee of my own municipality, R.M. No. 290, informed me that Macedonian toadflax was being advertised for sale in an eastern seed house. I recall asking a question of the Minister of Agriculture on February 22, 1955. I asked the minister whether he had taken action to control the sale of Macedonian toadflax by this seed house. The minister replied in part:

> In reply I wish to state that the control of weeds is a provincial and municipal responsibility.

Farther on he stated:

> There is no legislation that forbids a seed house selling a plant such as Macedonian toadflax. It is an ornamental flower.

That answer, Mr. Chairman, showed that the Minister of Agriculture was still farming with horses, that he was miles behind the times because the regulations concerning seeds were changed to allow better control of *linaria vulgaris, linaria dalmatica* and *linaria macedonica*. In fact, the *Canada Gazette* of November 10, 1954, lists all the species of toadflax as being a primary noxious weed. The minister knows that if it is a primary noxious weed, no seeds are allowed in registered certified or No. 1 seed. I think we must broaden our thinking on this whole approach to weeds. The horse-farming technique is not good enough when you are dealing with a problem that is moving so rapidly. The weed survey in 1955 had this to say on broad-leaved toadflax. It is interesting enough to quote:

> Within the past decade a broad-leaved species of toadflax, *linaria dalmatica*, has become troublesome as a persistent perennial weed in parts of Washington and Idaho. This species is the same as one which is spreading in Saskatchewan. Seventy-nine small infestations of this species have been found within the surveyed area. Many of these occur in gardens and cemeteries. Undoubtedly many more infestations occur, since the field men were not asked to note these infestations until the 1953 survey.

The minister may argue that *linaria dalmatica* and *linaria macedonica* are two different varieties when in fact they are, according to the authorities whom I have consulted in the University of Saskatchewan, a strain of the same species. I was most disappointed with the attitude that the minister took on this problem. Nevertheless, even though the minister did make that mistake at that time, he might be prepared to admit it and to follow some of the suggestions I am going to make now so that the matter of weeds can be more effectively controlled in the future.

On many occasions the Liberal party has hidden under the skirts of the British North America Act. In this case they cannot evade their responsibility because agricultural research is explicitly outlined as a federal responsibility. What is being done in connection with research on this whole matter of weed control? Last year I put a question on the order paper and received as an order for return sessional paper No. 213 which gave

information as to what was spent on weed control as opposed to another important aspect of agriculture, namely, entomology. I found that in 1954 there were eight full-time weed control specialists in the whole dominion of Canada. Six of them were located at headquarters at Ottawa, one in Ontario and one in Alberta. The total amount of money spent in salaries of these individuals was $37,055. When you compare that with entomology you find that there were 256 employed as full-time entomologists at an expense of $1,176,977. I am not saying that we should reduce the amount of money that is spent on entomological research but I am saying we should certainly pay more attention to the agricultural research that should be done in connection with weeds.

Dr. R. O. Ripley, chairman of the national weed committee, has estimated that in 1953 the total cost of weed investigation at the dominion and university level was $110,658. We find that outside of the Ottawa headquarters science service and experimental farm services there are no botanists working on this problem of weed control. We should take immediate steps to establish a chain of laboratories to investigate the problem. We should establish a D.E.W. line against weeds. This same suggestion might involve another change that I feel should be made in departmental administration. For some time now I have felt that there is a duplication of services in the science service and in the experimental farm service. I feel that in many instances the headquarters are located in identical stations. For example, there is a science service and an experimental station at Lethbridge. The same thing is true at Kentville, Nova Scotia. There would certainly be increased efficiency if the experimental farm service and the science service were amalgamated so that the professional men working in entomology and the field men working in experimental farm service could correlate their activities.

In connection with this same weed problem, we find that an investigation was carried on at the Belleville parasite laboratories where, incidentally, they employ 40 entomologists who are trying to find parasites which control weeds. One of them found a parasite on the toadflax samples which were sent down from Saskatchewan which seemed to do considerable damage to the reproductive mechanism of the toadflax. They found two insects on toadflax samples in Ontario where toadflax is not a serious weed. I would suppose that with the seriousness of this weed in western Canada the authorities in the science service would have immediately established a regional laboratory in the Marsden area where this insect could be controlled to see if it would effectively control toadflax, but nothing was done. In fact, one part-time man at the Scott experimental station has been moved to Lethbridge so that there is no one there except those who are on loan from the field husbandry department.

I do not think it is a matter of pleading with the minister to take action on this particular problem; I do not think he ever thought of it before. But if we are to be serious in our approach to weeds which are, as I mentioned, so expensive to farmers in all parts of Canada, something must be done immediately to stem the tide because it is far better to do it now than even five years from now when there might be from 500,000 to 1 million acres seriously infected. The onus of responsibility is on the federal government. The farmers in all parts of Canada feel that it is the responsibility of the federal government to perform this useful function, and although it might be contrary to Liberal policy, they might increase the surplus of wheat which we have for future generations to benefit thereby.

Mr. Thatcher: I would like to take six or seven minutes this afternoon to discuss one specific subject, namely, the lack of adequate long-term credit in agriculture throughout the country. As a matter of fact, I think hon. members on both sides of the house would agree that many of the difficulties which farmers have today can be traced to the lack of such facilities. At the present time, almost every branch of agriculture is suffering because they are starved for working capital.

The reason for this undesirable situation is not difficult to find. Apparently, private capital is failing to meet the problem posed by the lack of farm credit. Today private lenders, whether they are banks, investment houses or mortgage companies, can find more lucrative fields in which to invest their money, and fields which are less risky. As a result, in latter years these companies have been placing an ever smaller amount of their investment funds in farm mortgages.

I think the Bank of Canada regulations curtailing credit, which we have recently seen, will make this situation worse. The squeeze on farmers is bound to become even more serious. I can understand the lack of enthusiasm, which lending companies have; yet, I would like to tell them that their neglect of the long-term farm credit field could have serious consequences, not only to the nation but also to themselves. If the private lending companies do not devise methods whereby farmers can get adequate long-term credit, the government will have to come into the field in an ever more extensive way.

I am going to suggest today that these lending companies, if they are to take the advantages of the free enterprise system, should also assume some of the responsibilities. One of the responsibilities should be the granting of better long-term credit to farmers.

The lack of adequate credit today is having serious effects on our farming communities. In the first place, many young farmers who would like to go into farming are moving into the towns and cities, because they cannot get sufficient money to go into farming. After all, the price of land has skyrocketed and the price of machinery is very high. Moreover it is difficult for young farmers to find sufficient money to purchase a basic herd. Thus many young farmers who cannot obtain adequate credit are leaving the rural areas.

In the second place I suggest that a lack of adequate farm credit today is causing a concentration of farms in the hands of fewer and fewer farmers, because such credit as is available invariably goes to the wealthier farmers. This means inevitably that the number of marginal farmers tends to decrease while the number of tenant farmers tends to increase. I suggest that adequate farm credit could reverse such a trend.

I would like to point out in the third place that adequate farm credit today is lowering the productivity of many Canadian farmers. Farming is like most other businesses, in that the old adage that "it takes money to make money" is just as true as elsewhere. If our farmers could get better credit today, I think they would go into extensive irrigation projects, reclamation works, regrassing, etc. They would purchase better livestock and so on.

The farm credit problem is resulting in a lower productivity on farms than is necessary. Thus I suggest that parliament should give the problem attention without delay.

The government has recognized the problem this session with two amendments, one to the Farm Improvement Loans Act and the other to the Canadian Farm Loan Act. Both of these amendments are welcome; yet I think most hon. members would agree that all they can do is nibble at an over-all solution. As in the past, I am still convinced that farmers who go to make loans under the provisions of those acts will find that the down payments required are too high, the security requirements are too severe, or the actual amount which can be borrowed is too small.

I point these facts out because under those acts only about 15 per cent of all farm loans are made. We have to take additional action if the situation is to be solved.

It seems to me that the real answer to this long-term farm credit problem is not to be found in direct government loans. I think a method must be found to encourage private Canadian lending institutions to re-enter and greatly expand their activities in the farm mortgage business. I have a suggestion as to how this could be accomplished.

As I said a moment ago, many of our lending institutions feel—and I must admit perhaps with some justification—that marginal farmers are too great a risk because of climatic conditions, because of the uncertainties of markets and prices, et cetera to be given 20 year loans. As a result the farmers who really need money today very frequently cannot get it.

I remind hon. members of this house that the banks and lending institutions took the same attitude a few years ago toward urban dwellers who wanted to borrow money for a 20 or 30-year period to build a house. Parliament rectified that situation very successfully about three years ago, when it introduced legislation which guaranteed the banks against losses on 20 or 30 year loans made to urban dwellers to build homes.

I suggest that it would be feasible today to give the banks a similar guarantee on losses which they might incur by making 20 or 25 year loans to farmers to buy new farms or to buy equipment. In other words, I think parliament should consider having a national farm credit act along the lines of the National Housing Act.

As I see it, the principle would be precisely the same in both cases. Under that legislation the farmers would be able to get long-term farm credit without an unbearable burden being put on the taxpayers. Since the banks are making long-term loans under the National Housing Act, I think they might also be prepared to give the farmers long-term credit if suitable guarantees against losses were given by parliament.

I repeat that the time has come for the house to come to grips with this problem. Canadian agriculture must have better long-term credit facilities. In a booming economy we cannot permit agriculture to lag so far behind other industries.

Mr. Anderson: Mr. Chairman, the house will recall that on July 22 last year I spoke on the estimates for agriculture and made a request for a dominion experimental station in Norfolk. I do not intend to make the same speech all over again but there are a few points I would like to re-emphasize.

First of all, farm income has not risen with other lines of endeavour and in some cases it has declined. This would be bad

in any event, but to make matters worse our operating costs have risen sharply and farmers are now in a squeeze that could be disastrous if nothing is done about it.

One way for government assistance to work to the advantage of our farmers would be for us to have this experimental farm located in Norfolk so that farmers could, under direction, work out some of our problems. I think perhaps our needs are greater now than they were in 1955 and I am renewing the request for this station.

Our temperature in Norfolk is about five degrees lower than at Harrow and Vineland, the other two government stations, and varieties that do well there would not give us the same production under our different growing conditions and temperatures.

My request of last year has won universal support in Norfolk and it has particularly won the support of the county council which sent four of its members here on April 24 to support the request for a station.

Bruce Wallace, who is a large apple and cherry grower and manager of Norfolk Fruit Growers and Norfolk Berry Growers, met the minister with us. We were favourably received by the Minister of Agriculture, the Minister of Finance and the deputy minister of agriculture.

The press in Norfolk has also supported the request both editorially and in news items. The London *Free Press* and the Brantford *Expositor* have also given the request much support.

I think perhaps the committee will bear with me if I quote some of the production figures I gave last year. I regret that these figures are for the year 1954 and perhaps are not quite relevant to the year which has passed.

First of all, we had 2,000 acres of apples in Norfolk and 400,000 bushels were produced in 1954. Last year we had relatively the same acreage but we produced many more apples and experienced some difficulty in selling them. There were 30 acres of sweet cherries and we produced 640 bushels. There were 142 acres of sour cherries and we produced 16,730 bushels. That was in 1954, Mr. Chairman. In 1955 sour cherries were about double and again we experienced some trouble in disposing of them.

There were 500 acres of peaches which produced over 60,000 bushels. There were 66 acres of Bartlett pears which produced 20,000 bushels. There were 103 acres of Keifer pears which produced 16,000 bushels.

Now I would like to deal with strawberries.

Mr. Blackmore: Would the hon. member speak up a little more.

[Mr. Anderson.]

Mr. Anderson: We had 1,100 acres of strawberries in 1954 which produced 3,300,000 quarts and in 1955 this production was well over 4 millions quarts. Our production has increased a little in the two years. We expect we will have a very heavy crop in 1956 because they weathered the winter well.

I wish now to deal with fresh market vegetables. We had a production of 15,000 bushels of tomatoes and 175,000 bushels of potatoes in 1954 and last year it was about the same.

Mr. Blackmore: Would my hon. friend tell us what section he is speaking about when he says "we"? I am sorry but I did not hear his introductory remarks.

Mr. Anderson: I am speaking mainly for the people of the county of Norfolk and the counties surrounding Norfolk.

In the area between Simcoe and Port Dover there was produced in 1954 a total of 450,000 crates of sweet corn. Some of that was exported after being precooled. More of this crop could be grown.

Something else that is new in Norfolk is irrigation. The tobacco men have miles and miles of irrigation pipe. They use the creeks as a water supply and also any low-lying areas which fill up in the winter with water which can be used when needed. This provides a problem because we are not too sure yet as to what we are doing. Sometimes too much irrigation will ruin a crop and it must be applied at the right time. There is an old saying that every farmer has a stiff neck because he is always watching the sun and the clouds. Weather determines what we are going to do from day to day.

We need new varieties, especially in strawberries. Twenty years ago we had a variety called the Parson Beauty that produced quite well for years. Lately the Premier variety has predominated but we are always looking for a new variety which will produce well and remain firm in shipping.

There is an experimental tobacco station at Delhi, but the soil there is not representative of the county. It will grow tobacco but not all kinds of fruits and vegetables. Perhaps the minister could see his way clear to allowing the office there to be used so that any directions could go out from that point. I would respectfully request that the minister give careful consideration to this matter in the light of the support that has been forthcoming from every part of the farm population of Norfolk and in view of our increasing need.

I should like also to support the hon. member for Wellington South in his request that the premium on grade A hogs be increased

and that the premium on grade B hogs remain the same. This would tend to add quality to our bacon and assist in our exports.

Mr. Smith (Battle River-Camrose): Mr. Chairman, it gives me great pleasure to take part in this debate, particularly when we are discussing the estimates of the one department which is of great concern to a large majority of my constituents.

During my trip home at the Easter recess it was my privilege to attend the graduation exercises at the Vermilion school of agriculture. I know that the Department of Agriculture does not make any grants toward the operation of schools of agriculture in Alberta, but another department does make grants to the three schools we have. The total grants from the federal treasury to the province of Alberta in this connection I believe is in the neighbourhood of $47,700. There are three such schools in the province, one at Olds, another at Fairview and another at Vermilion in my constituency.

These schools give a very practical type of education to the young farmers and homemakers of the province. However, there is one disturbing factor about the operation of these schools, in that attendance is gradually decreasing. Does that mean that the young people of western Canada have lost faith in the future of the agricultural industry? It may just happen that that is the case. If it is the case, then I feel that all governments should view the situation with alarm.

It has been pointed out time and time again during this session that net farm income has been steadily decreasing during the last number of years. For example, in 1952 it was down 3·13 per cent of what it was the previous year; in 1953 it was down 21·6 per cent; and in 1954 it was down 66·64 per cent. This disastrous trend must be halted if we are going to maintain any semblance of development in Canada's major industry. I submit that Canadian citizens are justified in looking to the senior government for some direction and action in this regard.

During the graduation exercises which I attended at the Vermilion school they held what is known as the Little Royal, which is fashioned after the Royal Winter Fair at Toronto. I was interested in following their program. They put on a splendid stock show where the young students were able to demonstrate their training in such things as the judging of stock and showmanship. As I went through the plant I saw displayed the work of the carpentry shop, the welding shop and the meat-cutting department. I was quite interested in a remark made this afternoon by an hon. member who was telling how it was possible to get a larger sized side of bacon from a dead carcass. I have yet to see a living carcass.

Continuing through the school we saw the dairying plant and then we went into the portion of the school used by the homemakers where cooking, dressmaking and so on were taught. This is good practical training as far as the young people of our province are concerned. We should be encouraging young people to take greater advantage of this type of training. Agriculture in our province as in other parts of Canada indicates that the average age of farmers actively engaged is rapidly going up.

I feel that in order to be successful a farmer must be trained, that the proper training is more important than perhaps even a healthy body. The day of the strong back and the farmer going together in order to make a success is long past.

I should like to congratulate the federal government upon the grants being made for this type of education. I would ask the federal government to take immediate steps to do something toward stabilizing the agricultural industry. If that were done I do not think any other incentive would be needed to get our young people to stay on the farm.

During the present session we have discussed at some length resolutions extending the provisions of the Farm Improvement Loans Act and the Canadian Farm Loan Act. These acts are good as far as they go and the machinery which is to be provided is better than before. However, I would point out that the machinery will be no good unless the policy of the government expressed through these boards is changed and the conservative elements found on the boards during the past few years removed so that these two acts may serve the purpose which we as members of parliament trust they will.

There is another matter I should like to bring briefly to the attention of the minister, and that is the ever-increasing cost of commercial fertilizers to the farmers of the west. This morning I was reading a report issued by the Department of Agriculture which stated that the cost of commercial fertilizers had not gone up last year, and that it was hoped the upward trend had been halted. However, I should like to submit that the rise in the cost of fertilizers over the past years has been far too great. I hold in my hand some delivery slips given to farmers at the time they purchased fertilizers throughout the years. All these will deal with the cost of ammonium phosphate 11-48-0.

On June 21, 1946, you could buy a ton of this fertilizer for $58.50. By April 2, 1949, the same type of fertilizer had gone up to

$74.40 per ton. By November 8, 1950, the farmer was forced to pay $85.35 per ton. By April 15, 1952, it was $97.70 per ton. On May 29, 1952, the farmer was charged $100.15 per ton. In the fall of that year it was $105.60. Last summer, on May 10, 1955, the price was up to $107.

I have tried to get some information as to why these prices have risen so sharply over the years. I am given to understand there are only two large plants producing commercial fertilizers in Canada, and I am wondering whether those two plants are not exercising some sort of monopolistic control over prices. If that is the case, I submit the Minister of Agriculture would be well advised to take a very close look at the situation and try to do something about it. I just want to point out that in the course of a few years fertilizers which we wish the farmers of western Canada to use, and which they must use if they are to retain the fertility of their soil, have more than doubled in price.

Now I should like to spend a few moments discussing the hog industry as it affects the province of Alberta, and particularly as it affects the producers of hogs in my area. During the first half of 1954 hogs were sold at $33.33 per hundredweight. During the second half of that year they were sold at $24.92 per hundredweight. During the first half of 1955 they were $23.52 per hundredweight, and in the second half of 1955 $23.17 per hundredweight. I have taken these statistics from the Livestock Marketing Review. They point out that hog prices have dropped 33⅓ per cent in the last two years. This is serious, because in our province we produce nearly one and a half million hogs a year.

I should like to point out that the livestock report in the Edmonton *Journal* of April 14, 1956, has this to say concerning hogs:

> Hog prices dropped 50 cents at Winnipeg to 20-23 and Montreal was unchanged at 23-23·50. Toronto hog prices declined 50 cents to 23 and most Saskatchewan markets were down the same at 19. Prices remained steady at Vancouver at 22·15 for top grade hogs.

In my constituency I have several large hog producers, and one of these producers has had extensive correspondence with the Minister of Agriculture in the past few months. This gentleman is a young man who is interested in the hog industry, has been in it for years and is hoping to make it his lifework, but if the present trend continues he will likely have to do what it has been suggested that he do, quit raising hogs. However, he wrote the Minister of Agriculture in December, 1955. I shall just take one paragraph of his letter. The minister has the letter and knows it is true:

> I can't make enough money out of hogs after paying expenses and raising my family to pay my debts. The only reason I continue on is to live in hopes that your government will do something that will give we farmers parity prices. Our prices have dropped but the prices we pay haven't come down.

I think he has summarized the situation fairly well as far as the hog producers are concerned. Perhaps it may be argued that, after all, hogs are only a sideline as far as the majority of the farmers in the west are concerned, though I do not accept that argument. I say that the hog industry in Alberta is one of the major branches of agriculture in our province. Last year, for example, we produced 1,691,193 hogs in the province of Alberta. That is not a small-time business.

For that reason I should like to put on the record this afternoon a few figures I have been fortunate enough to secure. These figures are based on an actual 42-sow unit operated for the purpose of producing weaner pigs, and follow the project right from the time the pigs are born to the time they are marketed. It is pointed out that the following figures represent the cost to produce a hog:

> Assuming that feed mixture consists of one-third oats and two-thirds barley, with 200 pounds of concentrate in one ton of feed, the cost per cwt. is . . . $2.15.

That is the cost of feed for pigs. I do not wish to burden the committee with a lot of figures. Perhaps I shall put the others on record another time, but I want to point out that the cost of a 30-pound weaner pig has been estimated at $9.17. They give the cost of raising this 30-pound pig to 200 pounds. The cost of feed is $16.45. The cost of straw for bedding is 78 cents. The cost of incidentals and overhead, etc., is $1. Labour costs and weaning to market cost $3.50 per head. Marketing cost is $1. The total cost per pig, according to this survey, is $31.90 for this group of hogs. That is what it actually costs the producers to raise these hogs.

Assuming that 40 per cent of these hogs are graded A, 54 per cent B-1 and 6 per cent C, and also assuming that the prices received for grade A hogs on the markets of the west are $20 per hundredweight—and that is very generous now, by the way—grade B-1 $19 per hundredweight and grade C $16.50 per hundredweight, what happens? There would be sold 254 grade A hogs from this 42-sow unit; there would be 343 hogs grade B-1 and 38 hogs grade C. The average sale price of this group of hogs which started out in the weaner stage would be $30.60. To the producer the net loss per hog would be $1.30.

[Mr. Smith (Battle River-Camrose).]

Surely the minister will agree with me that a hog raiser who is going into it in a scientific manner cannot continue too long when he is losing $1.30 per hog. The minister will perhaps be able to advance other figures as to how much it costs to raise a hog. If he has them I would certainly appreciate it if he would put them on the record so we can look at them.

I have already pointed out that according to the figures of the federal government, during the course of 1955 there were 1,691,193 hogs raised in Alberta exclusive of domestic slaughterings and so on. What happened to those hogs? One-third were consumed right in the province of Alberta, and I am given to understand that 90 per cent of the remainder were shipped live weight or dressed to the Vancouver market. That being the case, I should like to ask the Minister of Agriculture how he can justify a support price for hogs of $18.50 on the Edmonton market and $23 on the Toronto and Montreal markets. When we consider the fact that the actual selling price of hogs on the Edmonton market is not much above the support price of $18.50 and that it costs $1 per hundredweight to ship those that are sent to the Vancouver markets, making $19.50, surely the farmers of Alberta are being given a bad time by a deal like this.

Somebody is making a huge profit out of the hogs that are raised in the province of Alberta, and I have already pointed out that it is not the producer. Somewhere along the line somebody is making money which rightfully belongs to the farmers of the province of Alberta. I submit to the minister that he should give very serious consideration to the establishment of a uniform floor price on hogs across Canada. I can see no reason that would justify the minister in establishing a floor price of $23 in Toronto and Montreal and $18.50 in Edmonton. It is nothing but straight discrimination against the hog producers of the province of Alberta. I will undoubtedly have the privilege of receiving a reply from the minister in this regard, and I am sure there will be many interesting discussions with respect to the hog industry.

I should like to say one thing more. I got into a little trouble the other day when I congratulated a civil servant. I do not wish to congratulate the Minister of Agriculture, but I should like to say to him that I have enjoyed the courtesy which members of his department have extended to me during my time here.

Mr. MacLean: Mr. Chairman, when the Minister of Agriculture opened the discussion on his estimates a couple of months ago now I listened with a great deal of interest and since then I have read what he had to say in *Hansard*. I must say that much of his speech was very interesting but that parts of it reminded me of a story that is told about a clergyman who on one occasion lost the notes for his sermon. They were picked up by a very curious member of his flock, who looked at the notes and was amazed to see a notation on the side which said, "Argument weak here; shout." I do not suggest that the minister shouts but on reading his speech I came to the conclusion that it would be very apt if one were to put the notation beside certain portions of his speech, "Argument weak here; use some statistics."

Of course I am not criticizing the minister for doing that because it is quite a legitimate practice; nevertheless those who are on the receiving end of speeches that quote statistics at considerable length should be on their guard. In that connection I came across an interesting passage regarding statistics in a very famous book, "Mathematics for the Millions". This book was written by a Mr. Hogben and he has this to say:

> Today the lives and happiness of people depend more than most of us realize upon the correct interpretation of public statistics which are kept by government offices. When a committee of experts announce that the average man can live on his unemployment allowance, or the average child is getting sufficient milk, the mere mention of an average or the citation of a list of figures is enough to paralyse intelligent criticism. In reality half or more than half the population may not be getting enough to live on when the average man or child has enough. The majority of people living today in civilized countries cannot read and write freely in statistics. The modern man has got to learn the language of statistics in self-defence, because no society is safe in the hands of its clever people.

In that regard I should like to make a few brief observations on some of the statistics the minister gave. He put tables on the record indicating farm cash income over a period of years and also farm net income for a number of years. These are very interesting figures. They show that, although generally speaking gross farm income is rising, over the last few years there has been a fairly rapid decline in net income. I refer only to the maritime provinces. In 1951 net farm income for the maritimes was, in round figures, $81 million, in 1952, $77 million, in 1953, $62 million and $62 million again in 1954.

Then there is another element in these income figures which should be realized, namely that they are not measured in constant dollars. Therefore although the farmer's net income may remain stationary or even increase, his purchasing power may be going down. That has been the case over the last few years. For example, in 1954 the percentage of the

gross national product which was credited to farm net income was 6·8, whereas the average for 1946 to 1950 inclusive was 12·7 per cent. The percentage of 6·8 for 1954 is the lowest percentage since 1931.

I think the minister is perfectly sincere. After all, it is his job to try to examine objectively, if possible, the true situation as far as the agricultural industry of our country is concerned. But I am rather disappointed by the fact that due to misinterpretation of statistics certain people, especially in the cities, who have not an accurate picture of the situation, have got the idea that the farmers are not too badly off after all and that their situation compares favourably with the rest of the economy. Many of these people pose as agricultural experts. I contend that they are doing the agricultural industry and farmers generally a disservice if they try to picture the industry as being prosperous or as sharing in anything like an equitable manner in the gross national product.

It was probably that sort of agriculturalist that inspired an American called Eugene Ware to say that the farmer works the soil and the agriculturist works the farmer. I should also like to point out briefly the situation as the Canadian Federation of Agriculture sees it. I shall quote a short extract from their brief entitled "Farmers meet the Cabinet". They start out by saying that generally the economy is in a healthy condition, but then they say:

> On the other hand, we find that, apparently, the notable exception in this picture of record prosperity is that of the farmer and his family. We do not claim that Canadian agriculture is in a depression such as we have known in the past. We do say that the farming industry is not sharing in Canada's new high level of prosperity.

Then they go on to say this:

> Farmers from coast to coast feel keenly that on the average their returns have become badly out of balance with those of other major groups in the nation. It is important to emphasize purchasing power in this connection because the farmer's difficulties are to be found as much in high prices of the things he buys as in a decline in the number of dollars he receives.

They are pointing out what I was saying just a few moments ago about the decline in the purchasing power of the dollar. That matter is extremely important. Out of the farmer's net income he must provide for his family and he must provide for a great many charges which are practically standard if he is to support on an adequate basis the community in which he lives. In that connection I should like to point out that owing to economic pressures, farm units are becoming larger. This means that in a rural community there are fewer people to carry the load of community charges which are fixed or nearly fixed for an area. There are still churches, schools, medical assistance and many other things that must be provided for the rural area whether there are many people to pay for them or just a few.

The purchasing power of the dollar which the farmer receives is away down. City people may wonder at this statement because they have not noticed any great decline in the cost of food. As a matter of fact the cost of food to the consumer is still going up. City people generally speaking perhaps have the idea—and one should not blame them if they have—that surely the amount the farmer is receiving for what they buy is increasing also. But that is not the case, owing to the fact that the cost of distribution has risen sharply in the last few years.

For this rise in cost there are two reasons. The first is that the actual cost of distribution has gone up, and the second is the fact that consumers are demanding food in a more advanced stage of preparation as time goes by. The consumer cannot expect the farmer to be as well off when he pays for a quick-frozen T.V. meal—which one sees advertised, with a bit of chicken, some potatoes and so on, on a platter—as he would be if the same price were being paid for the ingredients of that meal. The cost of distribution and preparation is taking a larger and larger percentage of the consumer's dollar.

In that connection I note this:

> Based on 15 food items, which account for about 75 per cent of consumers' expenditure on Canadian farm foods, 1955 retail prices were almost 11 per cent above 1949; for the farm equivalents of the same 15 commodities, farm prices were about 3 per cent below 1949. Marketing costs increased almost 25 per cent between these two periods while the farm share was lower by almost 9 per cent.

Farmers everywhere recognize the fact that agriculture is in an extremely trying time in its history. There have recently been great changes in production methods, and it is anticipated by many that there will be even more spectacular changes in the future in connection with methods of production and so on if agriculture is to survive. One fact, of course, is that as time goes by there are fewer and fewer farmers producing the food of the nation. This situation is brought about to a great extent by greater efficiency, larger units, mechanization and food produced in various forms from feeds that were formerly fed to horses in order to provide farm power. There are many other factors. Agriculture finds itself in an extremely difficult position.

In this economic climate there are fewer and fewer young men taking up agriculture as a career. Certainly in the agricultural

districts with which I am familiar the average age of farmers engaged in agriculture is becoming greater and greater; and as these farmers retire or die off, fewer and fewer of them are being replaced. The result is that you have large numbers of farms completely abandoned, used as pasture or cultivated to a minor extent by some farmer who lives in the vicinity. This situation puts a great load on the community because there are fewer people to support the normal community enterprises.

Of course there are some cynical people who say "So what? What difference does it make?" They say that perhaps this is a necessary thing; that it is just following the inevitable economic laws; that if that is what is happening, it is just too bad but it is an inevitable thing to which those engaged in agriculture and those who live in the country generally must face up; that they must face up to the fact that by far the greatest number of them will be exterminated in the next few years if this trend continues. I should like to warn people who have that point of view that we cannot abandon, sabotage or neglect our agricultural industry, because before too many years are past we shall need it badly and we shall need it on an efficient, high level of production. Otherwise there will be food and clothing shortages even here in North America.

The United States department of agriculture put out an extremely interesting illustrated booklet, a copy of which I have in my hand, entitled "The 5th Plate". In it they point out that, in the United States, for every four plates that were set for dinner in 1950, there will be five in 1975. Therefore there must be 25 per cent more food available for consumption in 1975 as compared with 1950. To meet this need they point out it would require all the arable land now existing in the states of Wisconsin, Illinois, Indiana, Ohio and Michigan.

They also point out that there is another way of partially meeting this need and that is to make farms, the present arable land, more productive. That can only be done, of course, if we have an economic climate in which the farmer is not forced to mine his soil to eke out a livelihood. We must have an economic climate in which he can safeguard his soil which, to the farmer, is his working capital and which is very difficult to replace.

This same booklet points out that in the United States in 1920 there were 3·62 acres of crop land for every individual in the country. By 1950 this per capita acreage had fallen to 2·25. I know these are just statistics and the city person probably does not worry too much about them because they are not realities to him; they do not convey anything very real. But if you put them in terms of farming it makes the farmer realize that he has to grow food and a lot of clothing for one individual on a little over two acres of land.

That is a very difficult thing to do if you think of it in terms of sheep, cattle and horses; but when you think of it in terms of human beings it is quite a problem. We have to get away from the idea that we have an endless amount of fertile land and that there will never come a day when we cannot exploit new, fresh, virgin areas and provide an abundance of food and clothing for our inhabitants. We are getting to the point where we can no longer mine our soil in one area and then move on to fresh, fertile, virgin land when we have eroded and exploited beyond recovery the agricultural soil in a given area.

Of course, some people adopt the attitude that the answer is bigger units. That view has been put forward by at least one of our chief financial publications in this country in recent weeks. It is also the kind of thinking that induced the men in the Kremlin to set out on their program of collective farms. They took the attitude that if they had bigness, the factory type of thing, mass production, they could solve the problem. I doubt that very much. Even if it would solve the problem from a purely economic point of view, I doubt whether it is the solution we want.

I hold in my hand a full-page story that appeared in the *Financial Post* of April 21 this year. It contains a streamer headline which says:

Factory Farming Can Cure Our Barnyard Blues

The article reads in part:

In southwestern Saskatchewan, a dusty village squats amid rumpled hills at a point where a yellow gravel highway bumps across a single line of railroad track.

Three grain elevators—two red, one silver—tower over a rail siding. The burnt-out shell of another, never rebuilt, points blackened timbers at the sky.

A church which lost its roof to a windstorm has been abandoned. So have at least 20 houses, paint gone and yards weed-grown. Twenty years ago 306 people lived here. Now: Only 177.

Slowly but certainly a farming community is dying.

In its own way this is a picture of agricultural progress.

This is an amazing conclusion for the writer to come to, Mr. Chairman. This is not my idea of agricultural progress.

I have another editorial which I will not bother to read, but it points out that politicians are foolish to worry about the farm bloc any more. They say that farmers are being exterminated and too much attention is

being given to them; that they are a dying race and that we shall soon have huge factory-like farms with only a few people operating them. They say this will be a good thing and the sooner it comes the sooner we shall have relief from this recurrent annoyance of the farm bloc demanding this or that from parliament.

I have a strong feeling that even if this is sound from the purely economic point of view, it is not sound from the sociological point of view, and that there are other things that should be taken into consideration. I feel strongly that if our nation is to remain strong and healthy and if we are to have a large group of independent people who believe in free enterprise, and who believe in themselves, and that the world does not owe them a living but that they must earn it, we must retain the family farm.

A fine editorial on this point appeared in the Charlottetown *Guardian* of April 7. I do not intend to read it, but it points out, and rightly so, that this is a great problem and if our nation is to remain strong and stable the family farm must be retained, and an economic environment must be created which will permit it to remain. This is especially important in the maritimes. They also point out that in the United States something is being done about it. They say:

> The same problem exists in the United States where, according to a congressional committee, more than 600,000 family farms have disappeared since 1950. There, however, steps are being taken to do something about it before it is too late. The committee which made an on the spot investigation in several farm belt states calls the family farm "the backbone of agriculture and of free enterprise in general" and warns that if it should disappear completely from the scene the strength of the nation's economy would be very seriously undermined.

I agree with that point of view most heartily. Some people take the attitude that the reason income per farm is not high is that farmers are inefficient, and they say, "You must be efficient". I point out, Mr. Chairman, there has been a great increase in the efficiency of agriculture over the years. The productiveness of the individual farmer is probably as high as that of any other member of the labouring force.

In pioneer days 90 per cent of the labour force was in agriculture. It took nine men in agriculture to provide enough to support one man in industry. At the present time the figures are reversed. Today only about one-tenth of our labour force is in agriculture, yet they still provide good food and considerable clothing for the population.

If the impression is created that agriculture is well off there is a danger that nothing will be done about it. In that connection I would like to point out that the great civilizations of the past collapsed not because of an economic collapse in the cities but because the fertility of the soil degenerated and finally disappeared. That has inevitably been the case in the past.

I think it is extremely important, Mr. Chairman, that the family farm be preserved for the reasons I have already given. In order to ensure this there are some things which I think the government should consider doing. For instance, there is the question of the customs tariff. In Canada we import a tremendous amount of fruit and vegetables from south of the border, and our balance of trade in that connection is not improving. I would like to quote briefly from a recent issue of *The Grower*, a trade journal, which says:

> In the first nine months of 1955 Canada imported fresh fruits and vegetables to a value of $86,973,273, a gain of $5,518,023 over the same period in 1954. In the same nine months Canada exported fresh fruits and vegetables to a value of $10,621,457, a decline of $1,739,099 over the same period in 1954. The gain in the adverse balance was therefore $7,257,122.
>
> Further examination of the records show that imports of fresh fruits declined $740,360 whilst the imports of vegetables increased $6,258,383 for a net increase, as given, of—

That is $5 million in round figures.

There are other things, too, which I believe the government should consider doing. One is to put on the free list some additional things which are used exclusively in agriculture as recommended by the farm organizations, such as steel posts and numerous other articles which I will not detail here. In certain areas of the country encouragement should be given to the processing of food in those areas so it will be consumed there. I was shocked to read recently that of the food consumed in the four Atlantic provinces less than 30 per cent is produced there. Of course there are some exports to partly balance that, but the exports do not begin to completely balance it.

I think my time is just about up, Mr. Chairman, but I have just one more thing to say. We in the maritimes do not expect a very high rate of income, and we would go along with seeing some other sections of the country enjoying a higher income, because I think the average farmer in the maritimes realizes that farming is a way of life and is interested in preserving the family farm. If he had a choice between prairie income and scenery and maritime income and the maritime way of life he would take the latter, because he realizes that as a work of art there are few things more pleasing to the eye, or more capable of affording scope and gratification

to a taste for the beautiful, than a well-situated, well-cultivated farm.

Mr. Huffman: Mr. Chairman, I was extremely interested in the remarks which have just been made by the hon. member for Queens, especially when he referred to the federation of agriculture brief in which they stated that the agricultural economy is not sharing in the high level of prosperity of the country.

Although the debate on the speech from the throne has concluded I would call to the hon. member's attention that this fact was recognized by the government when it said that some sectors of the economy have not fully participated in the country's increased well-being. Our government has recognized the position of agriculture, and it has done many things over the years which have been helpful to the producers. One has only to recall at the time of the foot-and-mouth disease how readily and quickly the government came to the support of the people concerned. In addition to that we have floor prices on many commodities which are produced.

I was interested in the remarks of the hon. member for Huron the other day when he asked the Minister of Labour about the possibility of getting more immigrants in this country because there is a need at this time to assist in the production on our farms.

I was rather surprised when the hon. member for Leeds got up to make his speech this afternoon and immediately started to criticize the Minister of Agriculture, indicating that he had not fully recognized the problems of agriculture in this country. He also expressed the hope that at some time they would have the opportunity of naming a minister of agriculture from eastern Ontario. May I say to him, as the Minister of Agriculture said this afternoon, we are very pleased in Ontario and throughout eastern Canada because we have the assistant to the minister who is fully conversant with all the farm problems in Ontario, in eastern Canada and in every part of Canada.

I feel a little out of character in saying what I am about to say at this time. When the Leader of the Opposition raised the point this afternoon about the Minister of Agriculture and the other ministers being absent, the Minister of Agriculture upon his return made the statement that he was out to get some facts and figures so he would be able to answer certain questions which might arise. I feel that the only reason the question of privilege was raised this afternoon was because when the Minister of Finance was replying to the amendment moved by the leader of the official opposition, and seconded by the hon. member for Dufferin-Simcoe, at eight o'clock on Tuesday night, there was not a single member of the official opposition in the house—

Mr. Hamilton (Notre Dame de Grace): At eight o'clock?

Mr. Huffman: At eight o'clock nobody was here of the official opposition.

Some hon. Members: Oh, oh.

Mr. Huffman: The minister was speaking at that time.

Mr. Macdonnell: It must have been unauthorized and illegal.

Mr. Huffman: The house had been called to order, Mr. Speaker was in the chair, and if you want to press it further I might point out that neither the Leader of the Opposition nor the hon. member who seconded his amendment was here to cast his vote when the vote was taken.

Mr. Macdonnell: Mr. Chairman, on a question of privilege, if we are going to get into this sort of thing—

An hon. Member: It is the other way around now.

Mr. Macdonnell: Mr. Chairman, if we are going to become involved in this sort of question—

Some hon. Members: Oh, oh.

Mr. Macdonnell: —I think it is only fair to point out to the committee that the Leader of the Opposition was in Toronto fulfilling a speaking engagement.

An hon. Member: He should have been here.

The Deputy Chairman: Order. I think it is only fair to point out to the committee at this time that it is not my responsibility to determine who started this argument and who was or was not present. It is my responsibility to try to keep the committee discussing item No. 1 of the estimates of the Department of Agriculture. I think the honours are about even in so far as the introducing of extraneous matter is concerned, and I ask the committee to please consider the incident closed.

Mr. Pallett: May I ask the hon. member a question. Was he referring to the federal government's refusal to make any grants to the municipalities?

The Deputy Chairman: I thought I had tried to make it clear to the committee that we are not discussing that incident or any other incident which may have taken place. We are discussing item No. 1 of the estimates of the Department of Agriculture.

Mr. Huffman: Mr. Chairman, speaking more directly to the problem of agriculture I should like first to refer to an article which appeared in the Windsor *Star* of June 25, 1955. Speaking about the vast investment in agriculture it had this to say:

> Due to the rapid industrial development of Canada there is occasional talk about the decline in importance of agriculture. This should be taken with a few grains of salt. Increases in other activities do not diminish the importance of agriculture.
>
> It is wise to know the exact position, so there may be no misunderstanding about this. Agriculture still is far and away the principal industry in Canada. Indeed, there is more money invested in agriculture than in all manufacturing industries combined.
>
> Most recent figures show the vast sum of $9,593,000,000 in capital investments in farm land, buildings, equipment and livestock in Canada. This compares with $8,470,000,000 in all manufacturing industries.
>
> Even in the highly industrialized United States an authority avers there is a greater capital investment in agriculture than in all other industries combined. And it is estimated the incomes of 50 per cent of the people in the United States are derived directly or indirectly from agriculture.
>
> These include not only farmers. Also involved are all in the canning, packing and other food processing plants. Also all in the farm implement business—manufacturing and distribution. And many in the chemical industry (suppliers of fertilizers and insecticides); in the railway and trucking industries; in the automobile and rubber factories, and in all the retail and wholesale trades handling foods.
>
> The same would be true in Canada, possibly even more so in proportion. We produce large quantities of food for export.
>
> It is well to put these facts in proper perspective, so that other industries—each of importance in the Canadian economy—will realize their positions.

In my opinion the problems facing agriculture in Canada are similar to the problems faced by agriculture in other countries. An article which appeared in the New York *Times* was headed "Has any country licked the agricultural problem?" The article goes on to deal with the $7 billion surplus which has been created by the policies followed in the United States. They mention that this was at the time the Russian agriculturists were visiting the United States—they later came to Canada—and continued:

> I don't know whether the Russian agricultural experts who saw the farmers' homes had it made clear to them that some of the great farms of this country are mortgaged to the government for as high as a million dollars that the government hasn't the slightest idea of ever collecting on "loans" covered by unsalable crops. And that 43 per cent of American farmers still have net incomes of less than a thousand dollars per year—and are, in fact, paying the rich and subsidized farmers in enhanced feed prices.

It is understandable that there is a problem in the United States. An article in the *Financial Times* had this to say:

> Moreover, under that system, the American farmer has lost all control over his major operations. Like the Russian, the American farmer is told exactly what, when and how much he is to grow. There is no incentive to develop new markets nor to reduce costs.

Referring to Europe the New York *Times* had this to say under an article headed "Farm surpluses face west Europe nations", and reading:

> Efforts to get freer trade in food products within Europe have been unsuccessful.

All of us realize that the severe weather on the continent during the past winter changed that picture almost overnight and from a surplus position they soon got into a position of need. We all recall the great increase in the prices of practically every item of foodstuff which occurred. I recall the Indian delegate to the United Nations telling us last fall how they had been able to increase the production of foodstuffs in that country by the use of new cultural practices over what it had been a short time ago.

Returning to our own province, I should like to pay a compliment to the farm organizations which met in Toronto not so long ago and advocated that self-help was the best solution for any farm problem. I am proud to be associated with such people who are ready to work out a solution to a problem that may face them and try the best possible plan to bring the best possible result. They are not asking the government to pile up surpluses worth millions of dollars as has been done in the United States, to the point where they do not know how they are going to dispose of them. These surpluses have created a block to the distribution of foodstuffs in a free society such as the one in which we like to operate.

I realize that as individuals we cannot always maintain the position we would like to maintain, but our position is ever so much stronger when we act collectively. I should like to pay a compliment to the farm organizations in my own county of Kent (Ont.). We grow many specialized products in that county, and the production of many of them is organized. The production of other products is in the process of being organized. Where there is an organization you will find there is little or no problem as far as the return from that crop is concerned, but where the production is unorganized or, if you like, disorganized there is a problem because we are not always able to get the best price consistent with the cost of production.

I should like to pay a compliment to the government for the action that has been taken in connection with resolutions which have been passed from time to time by organizations in my county. These resolutions were forwarded to the ministers concerned, and while they were not always accepted, at times

the government saw fit to accept particular resolutions which had been passed. Those turned out to be favourable and to the benefit of the industry in my district or in whatever area they applied.

I would recommend to the farm organizations that they make an effort to use the established agencies for handling their products. This can be done, as has been ably demonstrated. I feel that there is a place for those people who know the selling business, because that is the important part. There is no doubt that we are able to produce to meet the needs, but we must have further organization to dispose of the products we grow.

I was very much interested this afternoon when I heard the hon. member for Queens speak about the fruits and vegetables that are imported into this country and the vegetables that we export to the United States. Certain it is that we cannot balance one type of commodity with a similar type of commodity, but if we did we would be denying the Canadian people the right to make the choice they would like to make as far as fruits and vegetables are concerned. But we do attempt as best we can to meet the problems that face us.

I should like now to offer a suggestion to the government that I feel will be helpful to an industry in my district. I refer to the corn industry. In looking over the figures I note that at one time the production of corn in this country was very minor in extent. I have figures only for the province of Ontario, but I believe the greater proportion of the corn grown in Canada for commercial purposes is grown within this province.

In 1940 we had a production of nearly 7 million bushels of shelled corn. In 1955 that production had increased to the point where we were growing nearly 32 million bushels. I take a great deal of satisfaction in knowing that the county from which I come and which I have the honour to represent has extended its production from 2 million bushels in 1940 to nearly 11 million bushels in 1955. We have increased our average yield on a provincial basis from 37·4 to 62·6 bushels per acre. That is an increase of 70 per cent for the province. The figures for the county of Kent (Ont.) show an increase in the same period of over 80 per cent.

I heard the hon. member for Queens read an article stating the concern of some people about the arable land being used up, and expressing some concern as to whether we shall be able to meet the needs of our people in the foreseeable future. I for one do not believe that situation will ever occur, because at this moment our provincial average production of corn is 62·6 bushels per acre. During 1955 a 4-H club member produced 304·38 bushels per acre. I feel that in the future we shall continue to improve as we have done in the past.

One of the ways in which I think we might be able to help this industry in my district is this. Corn coming in from the United States bears an 8 cents tariff. If we were to ship corn into the United States it would have a tariff of 25 cents a bushel. The tariff was established at a time when we were not self-sufficient in the production of corn. Today Canadians produce the amount of corn needed by our people, and we are exporting some corn as well. Some time ago I made representations, along with the hybrid seed corn producers of our district. On that occasion, on a presidential prerogative, the tariff against seed corn going into the United States was reduced by one-half, and there are further representations being made that the executive exercise its right of reducing it at the rate of 5 per cent for three consecutive years if it so chooses. That would be helpful.

I should like to recite a specific case. At a given point in my district, 76 miles from London, where the great Kellogg plant is located, corn going over the railroad bears a tariff of 25¼ cents. But corn can come from Chicago, a distance of 376 miles, and cost only 5 cents more to haul, and it is being hauled under arrangements that were made quite some years ago. I would suggest to the minister, and also to the Minister of Transport that they give consideration to looking into the rates that apply on this commodity. We have the Crowsnest pass and the maritime rates and we have the bridge over northern Ontario. If our railroads are to be used in the national interest, I suggest that it would be in the national interest if something were done for this industry, which plays a very important part in the Canadian economy.

There is another item to which I should like to refer, and that is the item of soybeans. We are not self-sufficient in that commodity. We started to grow them only in 1942. In my own county we produced 308,000 bushels in 1942, and in 1955 we produced 2,034,300 bushels. Our total production in Canada for 1955 was 5·65 million bushels. Along with that, Canada has the highest yield of any country. The average United States yield is 20·2 bushels per acre. In Ontario it is 26 bushels per acre, and the county I have the privilege of representing has an average of 29·7 bushels per acre.

Soybeans come into this country free, but if we want to export them to the United States they cost $1.20 a bushel. When that tariff was established that was perfectly all right, because we needed the soybeans from

the United States if our crushing plants in this country were to be established. Today we have them established and, though we are net yet self-sufficient, I am sure the time is rapidly approaching when we can produce all that is necessary. Again we have the rail problem, and it is almost identical with that connected with corn except that it has one more feature. It has a different classification. It is classified under oil seeds and bears a higher freight tariff than corn. So, in addition to possibly reclassification which is necessary, this product should be put on a basis that would enable us to meet the competition from abroad.

The reason I bring up the question of rail rates is this. In Toledo, which is just across the lake from our crushing plants, the soybeans can be loaded into lake boats or barges and taken across the lake. They go across at a rate of 6 to 7 cents a bushel. In our case, to ship soybeans from Chatham, from where I come, costs 25 cents a bushel. Therefore our people are at a disadvantage of 18 to 19 cents a bushel. If we can overcome this disadvantage we will be in a very favourable position to increase our production and meet our competitors, the producers in the United States. For that reason I trust that the government will pay some attention to this aspect of the problem.

There is one other matter, and this one really brings tears to my eyes because I wish to speak about onions. Last year we had an exceptionally good crop of onions in my district but the farmers of New York state lost their onions because of severe floods. The growers of my district generously offered eight carloads of onions to the producers in New York state. The only requirement was that they would sell the onions and distribute the funds among the people of New York state. However, the government of the United States would not waive the regulations that applied, and consequently the gift could not be accepted. I hope that in the representations made to Washington from time to time these problems will be taken care of so that we can meet any competition there may be.

There is another problem with regard to onions. There is a duty of 37½ cents on onions coming into Canada from the United States, and during certain periods of the year they come in free. On Canadian onions going into the United States the duty is 75 cents. Our people feel they can produce equally as well as any other country, and all they are asking is that the United States put their tariff in line with our tariff and allow us an equal opportunity to compete wherever the market may be. Our people will be satisfied if that is done. I think that is a compliment to the ability of our people to produce, and that is what they would like to see the government do.

I should like to refer to an article that appeared in the London *Free Press* reporting an address by Frank E. Wolff, chairman of the agriculture committee of the Canadian Chamber of Commerce, in the course of which he said that food was the greatest weapon. I agree that is the case. I should like to pay a particular compliment to our plant breeders and cerealists who over the years have introduced types of plants and grains that have increased production and have given people in many parts of the world the opportunity to eat better than they ever did before. I would say that our plant breeders, cerealists, agronomists and others connected with such work have rendered a greater service to mankind than the physicists and other scientists.

We all know what happens when an atom or hydrogen bomb is exploded over an atoll. A chain reaction starts in Moscow. They say they have a bigger and better bomb, and that they exploded it first. I should like to tell you what has been done in my district by our plant breeders and cerealists. They have produced a hybrid seed corn which has increased production from the figure of around 40 bushels an acre that I mentioned a while ago to a maximum of 304 bushels an acre. When the Russian delegation were here they purchased hybrid seed corn from my district. It is going to their country and possibly it will have an effect so far as the Russian people are concerned. There is one thing of which I am sure. I am confident that a Canadian kernel is much better than a Russian kernel.

The Chairman: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Robertson: Mr. Chairman, I rise on this occasion to support a resolution passed unanimously at the twelfth annual convention of the Ontario canning crop growers at Hamilton, Ontario, on December 1, 1955. The purpose of the resolution was to recommend to the government that a pilot processing plant be established at the Smithfield horticultural substation. As Smithfield is in the riding of Northumberland which I have the pleasure to represent I think I can point out many reasons why Smithfield is the logical place for the establishment of such a pilot processing plant. The association represents some 10,000 growers of vegetable canning crops in the province of Ontario. The resolution is worded as follows:

> Be it resolved that this convention request the Canada Department of Agriculture to establish a pilot processing plant at the Smithfield horticultural

substation of the Canada Department of Agriculture for the purpose of further studying the relationship of raw product grades to those in the finished product grades of processing crops and that sufficient commercial acreage be grown at the above station to supply the pilot plant with the raw product of the crops being studied.

The resolution was supported by a brief which was presented to the deputy minister of agriculture on February 15 of this year. I should like to express the appreciation of all members of this organization for the courtesy of the deputy minister of agriculture and the sympathetic hearing he gave to the delegation. In supporting the brief I feel I can do no better than to quote very briefly from the brief itself in order to demonstrate the requirement for and purpose and need of such a pilot processing plant. The brief as presented to the deputy minister reads in part as follows under the heading "The Need":

By reason of its location, weather conditions at the central experimental farm at Ottawa are not ideal for the growing of many of the major canning crops. In recognition of this fact, the Canada Department of Agriculture some years ago established a horticultural substation at Smithfield, Ontario, to permit the study of problems encountered by growers of fruits and vegetables under actual conditions existing in one of Canada's important areas of production of these crops, particularly for the food processing industry. . . .

To be of practical value to agriculture and the food processing industry, fruit and vegetable varieties must possess qualities that enable both producers and processors to market food products that meet with consumer acceptance. The grower has to produce a crop of high quality and yield which he can produce and market at a reasonable profit. The objective of the food processor in respect to the finished product is identical. At the same time, consumers demand, in this era of keen competition both in price and variety of food products, processed food products of good flavour, colour, texture, odour and generally attractive appearance.

I go on further in the brief, and under the heading, "The Purpose" there is the following:

A food products laboratory should be established at Smithfield, Ontario, in order to help the plant breeder, the grower, the processor and the consumer. . . . Such a laboratory would provide the facilities for objective testing and evaluation of various varieties of fruits and vegetables produced on the substation acreage.

Later, results could be discussed with plant breeders and ultimately, when a variety is considered ready for commercial introduction, results and performance could be discussed with producers and processors in order to assure industry acceptance of the results of research in a minimum of time.

. . . For optimum quality of the finished product, a promising variety must be harvested at a definite maturity and processed by a definite procedure that can be carefully controlled. A food processing laboratory at Smithfield would provide the means of determining the desirable maturity and establishing a definite processing procedure for a given variety.

In addition, the laboratory could conduct research to determine the reasons for: flavour loss in processing, loss of colour intensity, undesirable odour development and texture characteristics of processed food products. As a further practical contribution to the industry and the economy, such a laboratory would enable research authorities to develop new types of processed foods that would channel commodities which might at any time in the future be in surplus supply into the consumer market.

Finally, under the heading of "Requirements" of such a plan the following has been suggested:

In order to provide the facilities for such research, it is respectfully suggested that the laboratory at Smithfield consist of:

(1) a pilot plant.
(2) a laboratory for evaluation.
(3) cold storage and freezer facilities.

Mr. Chairman, I should like to support this brief wholeheartedly because I am sure that in Smithfield we have all the requirements for the establishment of a successful pilot processing plant. I also know that the Ontario food processors' association feel the need for such a pilot plant so they may carry on extensive research on food products in this industry. They also feel that Smithfield is an ideal location for such a plant because technical personnel from Ottawa could avail themselves of the opportunity of conducting on the spot research in a major canning area in Canada, thus eliminating the necessity for recruiting additional technical staff which would be necessary if such a pilot processing plant were established in another area in Canada.

In addition, Mr. Chairman, among both growers and processors there is a feeling that since Ontario is the major centre of canning crop production, the province of Ontario is the logical place for the establishment of such a pilot processing plant. If the Department of Agriculture can give sympathetic consideration to this suggestion I am sure we shall be providing an extremely valuable service which will be of benefit not only to the growers of fruits and vegetables in Canada but also to the processing industry and ultimately to the consuming public itself.

Mr. Argue: Mr. Chairman, I believe this is something of a notable day in the House of Commons, in that members of all political parties have risen in their places and said to the government that all was not well with the agricultural industry. I am most happy to see members on the government side of the house—Liberal members, in this case Liberal members from Ontario—rising and pointing out to the government that substantial improvements are necessary in its agricultural policy.

As everyone knows, in this nation today we are witnessing an increase in our wealth

production. In recent years we have had an almost uninterrupted increase in the general production of this country. But anyone viewing the important segment of the Canadian economy cannot help but come to the conclusion that agriculture is the one important segment that is not sharing in any way in this general rise in prosperity. As a matter of fact instead of improving its position agriculture is going down, and it has been going down for some years. Moreover, the position of agriculture is not falling at a small, imperceptible rate; it is falling at a most alarming rate.

I have here figures obtained from the dominion bureau of statistics. They show that the gross cash income for agriculture was $2,811 million in 1951 and that it has been falling steadily until in 1955 it is estimated that gross cash incomes for agriculture will be some $2,323 million. The net income position is much worse. There is a drop from $2,150 million in 1951 to $1,125 million in 1954. That is a drop of some 48 per cent within that three-year period.

I do not believe our so-called prosperous economy can be secure as long as we have this important segment with inadequate purchasing power and with falling standards of living. During this period to which I have referred the gross national product has increased from $21·4 billion in 1951 to $26·4 billion in 1955. Some may think that, as consumers, they stand to gain if prices of food products fall. In its brief to the Gordon commission the Canadian Federation of Agriculture points out that in many years when agricultural prices are falling the cost of food products to the consumer is increasing. It does not follow at all that because farm prices are falling to the producer, the consumer is gaining in any way. I am afraid the consumer will stand to lose by any further deterioration in the position of agriculture.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Argue: Mr. Chairman, when the committee rose at six o'clock I was pointing out that while most sections of our economy were relatively prosperous, agriculture was in no way sharing in that prosperity. Not only have farm cash income and farm net income been going down, but probably of greater significance is the fact that the prices of agricultural products in relation to the farmer's costs of production have been continually getting worse.

[Mr. Argue.]

Shortly after the Minister of Agriculture took office back in 1935 there was established an index for the farm costs of production and for farm prices. The base of that index was taken as 1935-39. That period was taken as 100 for the farmer's cost of production and for the prices of agricultural products. The latest index based on that period as set out in the *Economic Annalist* for April, 1956, shows that the prices of farm products have increased to 218. But the cost of production index has gone up until it has not only reached 218 but has gone even higher until it stands at 235. According to the *Economic Annalist*, the prices of agricultural products today in relation to the farmer's cost of production are even lower than they were in the depressed years from 1935 to 1939. That is why we in this group say it is time the government adopted a price support policy based on parity, that is prices for agricultural products that bear a fair relationship to the farmer's cost of production.

An important announcement was made today by the Minister of Trade and Commerce that will affect agriculture on the prairies and indirectly all parts of Canada. We welcome that part of the announcement concerning the 1956-57 initial prices for grain. We also welcome the statement that within about two weeks' time an announcement will be made as to the final payment on the 1954 wheat crop. But there was a third announcement that was highly disturbing to me, namely the announcement that at the end of the current crop year delivery quotas for grain to various points would not be equalized, that no steps would be taken by the Canadian wheat board or by the government to bring about an equalization of quotas.

That statement will not sit very well on the western prairies. I am afraid there will be a tremendous amount of criticism. I am afraid that in the natural course of events people who support the Winnipeg grain exchange will use this new policy as a weapon against the Canadian wheat board. I express the hope that between now and the end of the crop year the government will give serious reconsideration to the statement that was made this afternoon and change it so that quotas are equalized among producers at various marketing points. If it is impossible to equalize them on July 31, whatever quotas some farmers may be short of at that time should be extended into the new crop year.

I am for parity prices; I am for a price level that would give agriculture a fair share of the national income. But within a system of parity prices for agricultural prices I also

believe that steps should be taken to bring about the greatest practicable equalization of income amongst the farmers themselves. That is why I am so disturbed over the announcement this afternoon that even on an acreage basis there will be unequal quotas during the crop year and nothing will be done at the end of the crop year to see that those quotas are equalized. I repeat, I hope the government will reconsider its policy and will bring about an equalization of grain delivery quotas.

A few years ago when one stood up in the house and advocated a system of parity prices one perhaps did not get too much vocal support from farm organizations; but every single farm organization of any importance, and every farm organization in Canada with which I am acquainted, is advocating some system of guaranteed support prices or some system of parity prices. The great Canadian Federation of Agriculture has brought before the government a policy advocating fair relationship prices, advocating that the government implement a system of support prices that will guarantee to the farmer not less than from 65 per cent to 85 per cent of a parity price. The interprovincial farm union council, in making their submission to the government every year and in making their submission to the agriculture committee of the house, has emphasized its position that the farmers should have parity prices. The government has done very little or nothing about those submissions.

We have a reasonably good support price for butter, but after you have said that there is little more to say. We have something of a support price on hogs and eggs; but as I have seen those support prices operate, or fail to operate, in the past I am afraid they have been pretty much window dressing.

Little has been done by the government to provide support prices for agricultural products. I would think that the Prime Minister, who comes from a province in Canada where agriculture and rural life are considered to be a very important aspect of the life of that province, would implement policies that would prevent the deterioration of the agricultural industry and the position of farmers in his province and in other provinces of Canada. The position is becoming very serious. It is not a matter of a member rising in his place and talking blue ruin and depressed agricultural prices. He does not have to do that himself; he merely has to quote the record of what other authorities have said. I hold in my hand the Ottawa *Journal* of Thursday, April 26. On the front page it has a heading:

> Farmers Broke in Boom Times

The report has this to say in part:

> The federal and provincial governments have been accused of "complete lack of long-range planning" to solve the problems of the Canadian farmer, particularly those in eastern Ontario, some of whom "are going broke while the over-all economy is booming".

And that is true in every agricultural area of Canada. The report goes on to say:

> In a report presented to the Ottawa diocese synod meeting by Rev. H. Clayton Vaughan of Navan, chairman of the rural community committee, the plight of the farmer is vigorously presented.
>
> "It is difficult to realize the feeling of discouragement and uncertainty that is sweeping our rural communities".

What an indictment of the agricultural policy of this government, when such an important meeting of a church organization makes a public statement saying that because of the policies of the government agriculture is being allowed to go broke in times of boom.

The Canadian Federation of Agriculture is highly respected in this nation. The Canadian Federation of Agriculture each year presents a carefully prepared, well thought out, agricultural policy to the government. One of the chief persons connected with the Canadian Federation of Agriculture, their economist, Dr. E. C. Hope, appeared before the banking and commerce committee the other day in connection with amendments to the Canadian Farm Loan Act. When Dr. E. C. Hope was discussing agricultural policies generally and what his organization wished the government to do, I asked him this question, as recorded at page 114 of the proceedings of the committee:

> In your study of agricultural policy in other nations of the world, do you know of any advanced nations which do less in the way of support prices and other policies for agriculture than is done by our country?

To that question Dr. Hope, the witness, replied:

> No, I do not know of any country that does less.

According to Dr. Hope, chief economist of the Canadian Federation of Agriculture, this government does less for the farmers than is done by the government of any other advanced country in the world. It is small wonder, then, that farmers from one end of this nation to the other are highly dissatisfied with the policy of the government and the deal they are receiving.

What are the farmers going to do about it? They are going to have to obtain a new policy; this one is not good enough. They are endeavouring to bring pressure to bear on members of the government. They are also bringing their case to the attention of members of the opposition. They are coming to

Ottawa time and time again to present to the government the things which they think should be done. They have obtained some results, but very few.

While they may get something from the government from time to time their general position is almost continually worsening. When the government brings in policies that are of some help, such as the payment of storage on certain quantities of grain or perhaps by way of extending the provision of agricultural credit, what do we see? We see some of the most important newspapers in this country making editorial comments to this effect: Why should the government bother about agriculture at all? After all, it is an industry of dwindling importance; after all, it is losing its political power and effect in the nation. When it comes to a policy the government may bring in which will help the farmers they go one step further and say that the farmers are losing representation in parliament, so why should the government or the country bother about giving agriculture and the farmer a square deal?

Some of the things they say are true. The farmer is losing some of his political weight in this country, and if he is to get a square deal he is going to need strong and powerful allies. He is going to have to enlist other groups to support his position when he asks the government to do certain things. I believe there is a growing hope that the farmers are going to get adequate support from other organizations. I have in my hand the resolutions presented to the recent merger convention founding the new Canadian Labour Congress, and I am pleased to note that those resolutions deal not just with labour problems but also with agricultural problems. While all these resolutions could not be considered individually, there were composite resolutions passed by the convention embodying the principles to which I am going to refer. Here is one resolution which reads:

> Be it further resolved that our new congress strives, through the recently-created Canadian farm-labour economic council, to unite the forces of farmers and labour in Canada, for the welfare of both sections of the population and the country as a whole.

Another resolution reads:

> Whereas this convention views with alarm the ruinous drop in agricultural income . . . and
>
> Whereas we believe that all producers, whether they work in the office, in the factory, in the mines, or on the farm, are entitled to a fair and adequate return for their work; and
>
> Whereas we join with organized farmers in their farm unions, co-operatives, and with the Canadian Federation of Agriculture in their fight to obtain parity for the agricultural producer:
>
> Be it resolved that, to this end, efforts be made to regain the overseas markets that have been lost to Canadian farmers since the end of world war II; an immediate campaign to eliminate malnutrition in Canada be launched; a generous program of economic assistance be undertaken to help fight world poverty and hunger, and a generous program of support prices be established, so that both producers and consumers will be protected from violent fluctuations in price and supply.

We have frequently heard it said that the interests of labour and agriculture are separate, apart and quite opposed one to the other. We have been told that the government finds it difficult to bring in adequate support prices for farm products because the consumer will rebel but here we have the largest labour organization in Canada advocating that farmers be given parity prices for their products.

Mr. J. L. Phelps, president of the farm-labour economic council, addressed that huge convention and when he concluded his remarks he was given a standing ovation. In Canada the privilege of receiving a standing ovation seldom occurs, and the standing ovation Mr. Phelps received at the labour convention is indicative of growing farm-labour co-operation which will inevitably result in better legislation for labour and a program of parity prices for farm products in the future. We are told—

The Chairman: Order. I wonder if I might interject at this moment. In some instances the hon. member has mentioned parity prices and in other parts of his remarks he has mentioned support prices. I have listened to the hon. member now at some length and it seems to me that in the main his argument is with regard to parity prices. Now, if that is the case, may I point out to the hon. member that we had a resolution with regard to parity prices negatived in the house on March 12. I must point out to the hon. member that a discussion purely of parity prices at this time on that account would not be in order. For those reasons I must ask the hon. member to refrain from a discussion of parity prices.

Mr. Argue: I was about to say, Mr. Chairman, that we read from time to time of a farm bloc in the United States, and that farmers have so much power in the United States congress that at times they are able to push through a program for high support prices that is detrimental to the economy of that country. We are told that but it is not true. There is no farm bloc in the United States congress which is able to command a majority, but there is in the United States congress a working farm-labour bloc that can command a majority when it comes to legislation they jointly support. The reason the

United States congress adopted a program of so-called high support prices for agricultural products, which even then did not mean a measure of full justice or parity for the agricultural industry in that country, was because of that farm-labour co-operation. When we get that kind of co-operation in Canada the farmer with the help of labour will obtain from the government in power the legislative program to which he is entitled.

I think there are a number of things the government should do to provide a better deal for agriculture at this time. The first thing I have referred to is the system of support or parity prices. The second thing I would like to impress on the government is the need for a continuation of the Crowsnest pass rates on grain. I am afraid there is growing evidence of an attack by the railway companies on the Crowsnest pass rates. Just last year the president of the Canadian Pacific Railway Company in his annual speech to the shareholders dealing with railway policy—

The Chairman: Would not these remarks, perhaps, be better made on the first item of the Department of Transport?

Mr. Argue: I thought of that one, too. Naturally I shall bow to any ruling you make, but I want to point out that if the change in the Crowsnest pass rates which the C.P.R. are endeavouring to obtain should be brought about it will reduce the price of wheat to the producer by not less than 12 cents a bushel. I point out further that any such substantial reduction in the price of wheat is bound to see an increase in the production of livestock on the prairie provinces, which would have an adverse effect upon the whole agricultural economy.

The third point I have listed is the need to establish national marketing boards to provide, at the request of producers, stability in the assembly, processing and marketing of main agricultural products. Fourth, to establish a board of livestock commissioners to provide scientific grading standards. Fifth, to expand the sale of agricultural products through international commodity agreements and through bilateral contract sales. We have seen evidence recently that such a program is feasible, that bilateral contract sales offer a method by which the sale of farm products can effectively be made on the international markets. I suggest that if this policy is to be used to its fullest extent the government should be prepared to sign contract agreements for the purchase of products produced in countries which buy our grain. We cannot continue to hope to sell to these countries unless we are also prepared to buy the goods they produce.

Sixth, support for an international food pool to dispose of surplus agricultural products. Seventh, double the payment under the Prairie Farm Assistance Act and extend the act to provide income protection in time of crop failure for farmers in all parts of Canada. The Prairie Farm Assistance Act was first brought into existence in 1939 and provided a maximum of $2.50 per acre on half the cultivated acreage. That payment has not been increased, even though the cost of production has more than doubled since that time. I suggest that the payment should be doubled and the provisions of the act should be extended to agricultural producers in all parts of Canada in the case of crop failure.

Eighth, extension of the Prairie Farm Rehabilitation Act to all parts of Canada, making it into a comprehensive program of soil and water conservation. Ninth, immediate construction of the South Saskatchewan dam. It used to be that the Prime Minister would discuss in this house the benefits or otherwise, depending upon his point of view, which would flow from the construction of the South Saskatchewan dam, but now when he is asked a question he just says no. There is no argument, there is no consideration; the government says no. It might cost a little over $60 million from the federal treasury to build this dam, but apparently there is no hesitation in providing $80 million to pull a pipe-line company out of a very bad situation into which it is getting and in which it apparently wants to involve the country as well. There is lots of money to help a pipe-line company, but the government cannot find any money to build the South Saskatchewan dam, the cost of which would be spread over a period of ten years.

My tenth and final point is the extension of the Canada Grain Act to all parts of Canada so that feeders may obtain the benefits of the excellent grading system for grain which prevails on the prairies.

If the government does not want to consider all these, I suggest that there are three main items the government should consider. First of all they should provide a system of adequate support prices for farm products. Second, they should provide a system of crop failure protection or crop insurance for the farmer when he loses his crop through no fault of his own. Third, the government should provide adequate markets for the full quantity of food products which agriculture is able to produce.

I suggest to the Prime Minister that there are many tens of thousands of Canadians who have a most inadequate diet tonight, who are close to suffering from malnutrition. I need mention no others than the old age pensioners

in this country, who in many instances have to live on a mere $40 a month, a large part of which must be paid for rent when they reside in our cities. I suggest that the type of agricultural program that I have proposed is necessary, not only for the welfare of our agricultural industry but for the welfare of Canadians generally.

(Translation):

Mr. Gauthier (Portneuf): Mr. Chairman, I should like to say a few words tonight on a matter which is particularly dear to me. However, I should not like to dwell on it at too great length.

In May of last year, I rose in this house to urge the government to continue its subsidy to maple sugar producers, so that they may continue, and to complete if possible, the change-over from tin sap pails they have been using to aluminum pails. Here is what I said then, as taken from page 3343 of *Hansard* of May 2:

> There is a provision embodied in the—

I was thus stating the main reason for this change-over.

> There is a provision embodied in the Food and Drugs Act of Canada to ban lead in any kind of food. To obtain that regulations have been adopted to do away with welded tins as containers of all kinds of canned food; hooked tins are now being used. For the same reason, tea, chocolate and cigarettes are wrapped in waxed or aluminum foil; no more lead paper is used to wrap them.

And I added:

> The history of this subsidy to maple sugar producers is that lead was found in maple sugar products and all shipments were stopped at once, not only shipments to the United States, but all exports outside the province of Quebec. The maple sap itself does not contain lead but the oxide of lead found in maple sugar came from the buckets made with tin plate.

I think that was reason enough to bring this matter to the attention not only of the government but of all members of this house, who, I thought, would be glad to support that subsidy to maple sugar producers. Unfortunately some hon. members thought fit to oppose the subsidy, as they had done in previous sessions. So for some reason I do not wish to discuss here, the federal government decided not to renew the subsidy this year. If I bring up this subject again, it is because I believe we should keep protecting that very special maple product, not only in Canada but especially in countries which import it.

According to the 1951 census, 22,443,061 pails were used for that purpose; out of that number, 17,308,823 pails have been changed, and the shares of the federal government and the provincial government have been one-third respectively, with the other third being paid by the farmers. There are 13,382 maple sugar producers who have taken advantage of that opportunity to change their pails, out of a possible total of 21,700, always according to the 1951 census.

Thus, there are about 5,135,000 sap pails which have not been replaced. So, I urge the federal government to continue this subsidy to maple sugar producers at least for a year or two, in order that they may replace these 5 million odd pails. They could thus increase their income and, consequently, improve the situation of their families. It would also enable them to share more fully in the economy of the country and, especially, to continue exporting to other countries this maple product whose purity is its main quality.

I remember that, some years ago, Queen Victoria was presented with a jar of maple toffee, and Her Majesty, having tasted it, said to those who were sampling it with her: "This is the most delicious sweetmeat I have ever tasted."

So I am asking the federal government to help the producers, because I would like our maple products to keep their high quality.

This year, only about 250 thousand sap pails will be replaced, which will mean an expense of about $50,000 for the provincial as well as for the federal government, and for the farmers.

Last year, I put on record a table showing the production and value of maple products in the province of Quebec, from 1937 to 1954, as can be seen on pages 3343-44.

I also put on the record a second table referring to the production and value of maple sugar for the years 1953 and 1954; a third table showed the production and value of maple sugar for the years 1953 and 1954, while a fourth table showed the classification of maple syrup commercial production in the province of Quebec from 1949 to 1954.

Those interested in the situation of the maple industry in the province of Quebec will kindly refer to those tables which, as I said, are given on pages 3344 and 3345 of *Hansard*.

Mr. Chairman, I shall be brief. However, I renew my request, and ask the central government to continue, at least for another year or two, to grant a certain amount to allow the change over of sap pails to be completed. The farmer will then lead a

better life because, with the syrup and sugar industry paying him more, he will get an added revenue to the production of his land. I submit that our farmers are a rather important group in our country and have made enough sacrifices and enough efforts to be entitled to federal as well as provincial assistance.

(*Text*):

Mr. White (Middlesex East): There were quite a number of very good speeches this afternoon, all of them Conservative. The minister's estimates provide not only the members who come from agricultural ridings but many other members an opportunity to understand and take part in the unending problems of agriculture.

I wish to compliment the hon. member for Kent (Ont.) on his speech this afternoon. I am just going to review two or three of the things he had to say. In his introduction he mentioned that in the throne speech there occurred these words:

> Canada has enjoyed, on the whole, a high level of prosperity. Some sectors of the economy have not fully participated in this increased well-being.

He said then the government was quite aware of the plight the farmers were in. It is one thing to be aware of the plight they are in and another thing to do something about it, which has not been done. That is the trouble. Being aware of it is just not good enough. He dealt with the discrepancies in the marketing of corn, pointing out that he was hopeful that the United States would reduce its duty so as to bring about equality of tariffs. What a hope. I do not think there is a chance in the world that the United States will change its tariff policy just because we are producing more corn and might want to send some into the United States.

The hon. member for Kent (Ont.) comes from a cash crop area. I was very much interested in some of the other items produced there, with which he dealt. He talked about onions. The duty on onions coming into Canada is 37½ cents a bag, while on onions going to the United States it is just double that, 75 cents. He failed to say also that 22 carloads of Egyptian onions were unloaded at Montreal at the very time growers in Kent and Essex and the other onion-growing areas were harvesting a crop, and that played a disastrous part in reducing the price to the Canadian grower. At the same time those products were held in the warehouses of the trade. The consumer got very little benefit, if any, from the disaster that was caused the producer.

There are many farm products imported into this country that are produced—and more of them could be produced—in Canada. As I have said many times, there are many agricultural products that we, a northern country, are not able to produce and that we are glad to import from the United States. However, when we can produce corn, soybeans, sugar beets, apples, potatoes and many other things, it looks a little foolish that we cannot, either through a tariff or a quota system, assist our Canadian farmers. Here we are building up surpluses of certain farm products that we cannot sell—more acres of wheat than we know what to do with—and at the same time importing millions of dollars worth of farm products which Canadian farms could well grow.

The hon. member for Kent (Ont.) had something to say about soybeans. Soybeans come in from the United States duty free, but if Canadian soybeans are exported to the United States they are charged $1.20 a bushel duty. Yet the government does nothing about it. At the same time there is the importation of soybean and other vegetable oils with no duty or quotas. The hon. member talked like a Conservative, but he votes the other way.

I am amazed at the number of government supporters who have taken part in the debate on the speech from the throne, the budget debate, the debate on parity prices for agricultural products and today the estimates of the Department of Agriculture. I have reviewed what those members from western Ontario in particular have had to say, and I think it is rather interesting. It looks to me as if they are running for cover and holding up an umbrella. They want to be able to say, "This is the speech I made in the House of Commons for the agricultural industry in my constituency." When the next election rolls around they will have that to rely upon, and they will say: "This is what I had to say."

That is not the question. What did you do about it? Not a thing. For example, the hon. member for Waterloo North made a speech that is to be found at page 449 of *Hansard*. I have read his speech very carefully, and if I ever read or heard a Conservative speech that is one. He talks and thinks like a Conservative but he votes the other way. The junior member for Queens made a speech to be found at page 493 of *Hansard* in which he had this to say:

> While Canada as a whole is prosperous—

The Chairman: Order. I take it from the page number in *Hansard*, without checking more particularly, that the hon. member is referring to another debate in the same session.

Mr. White (Middlesex East): Yes. I failed to remember, Mr. Chairman, that I could not quote from a speech made in another debate in the same session, so I will more or less paraphrase what his ideas were.

The Chairman: Order. Without referring particularly to the wording of the rule, my recollection is that it covers referring to a debate in the same session, so that paraphrasing is equally out of order.

An hon. Member: He said the same thing last year.

Mr. White (Middlesex East): This is not going to curtail in any way what I have to say, Mr. Chairman. I will just put it in another way. I would point out that Prince Edward Island is noted for its production of potatoes. I would also point out how one-sided the tariffs and quotas are so far as Canadian and United States potatoes are concerned, and that 7,000 carloads of potatoes were imported into Canada last year. No wonder members from the maritimes who are interested in the production and sale of potatoes have something to say about these problems.

In the past some speakers have said that if an imported article can be bought more cheaply than a home-produced article Canadians, being no different from anybody else, will buy the imported article. Consequently we find cheap products coming into Canada not only from the United States but from other places and the Canadian public are buying them, for which I do not blame them one bit. The textile industry, particularly those firms engaged in processing wool, has had a very difficult time for some years now, and if I remember correctly 22 concerns have ceased operations in the last five or six years. In one year the number of employees in the wool processing industry dropped from 10,500 to 6,000. That will give some idea of the impact of the policies of this government as they are reflected not only on agriculture but on labour in many of the cities of this country.

I was also interested to note that the hon. member for Northumberland and the hon. member for Grey North went out of their way to say how difficult times were for the farmers, but offered as a solution the setting up of producer marketing boards. This is amazing to me, because I can look back over the years when times were good and farm products were scarce and the government was quite prepared to be the marketing agency for farm products. But when the going got tough the government told the farmers to form their own marketing boards and solve their own problems. They were quite prepared to turn these matters over to the farmers once they found that they had failed.

But what is the use of turning them over to the farmers? The farmers cannot solve the problems involved in the importation of the very same products they are producing. The farmers have nothing to do with the importation of vast quantities of farm products, particularly from the United States, that compete with the production of Canadian farmers.

Mention was also made last year and the year before of fruits and the canning factory industry. The farmers are finding right down the line that the many farm products imported only aggravate the surpluses with which we find ourselves confronted.

Mr. Cardiff: Cheese, for instance.

Mr. White (Middlesex East): I have referred to a few hon. members from western Ontario and one from the maritimes who have emphasized the serious situation. I have done so to emphasize the inconsistency of their arguments, because when they talk they talk one way but when they vote they vote the other way.

About a week ago I spoke on the bill of the hon. member for Kamloops respecting income tax, and at that time I failed to complete what I wanted to say. I do not expect to complete what I have to say about it at this time, but I want to finish my remarks with respect to one particular case involving the tobacco farmer and his daughter who was charged almost $2,000 because her father was her banker over a period of ten years.

The Chairman: Order. I am sorry to interrupt the hon. member again but I recall his former speech and if he intends to pursue the same line of thought I fail to see how that can be related to the first item of the agriculture estimates.

Mr. White (Middlesex East): The impact of income taxes on agriculture is very serious. It is decreasing production and driving young people away from the farms. What is worse, the worst of the situation is not over yet. My friends across the way shake their heads, but it is the fellow who wags the pencil next time who will be the deciding factor. I want to complete what I intended to say about this one particular case.

The Chairman: Order. I have already indicated in as kindly terms as possible that it will be impossible to complete that case under

these estimates, and I hope the hon. member will co-operate with me in that regard.

Mr. White (Middlesex East): I will as far as I possibly can, Mr. Chairman. Just give me a moment to get the matter wrapped up here. There are many new Canadians who have come to Canada and purchased farms. Right in my own neighbourhood I see the mother and the father working the farm and there are one, two or three young people who are employed in the city. They bring home their monthly or weekly pay cheques and help the father to pay for the farm. The chances are that ten years from now the income tax department will probably say that when he bought the farm ten years ago he only had $500 or $1,500 to pay down and now he is worth $20,000. Consequently, as he paid us only so much income tax, he owes us so much more.

The Chairman: Order. I am sure the hon. member will agree that remarks of this kind have no place in a discussion of the first item of the Department of Agriculture. Further than that, the hon. member said, "I want to complete a speech which I failed to complete on a former occasion". That statement causes me immediately to come to the conclusion that the hon. member himself must realize that he is not in order in attempting to discuss this matter at this time. I have listened with interest to his speech, but in fairness to other hon. members I must ask him to devote his remarks to a discussion of this item.

Mr. Cardiff: I rise on a question of privilege. Surely to goodness an hon. member speaking on farm problems has a right to refer to income tax as far as the farm is concerned. It has a great deal to do with the matter of profit or loss on a farm. If the income tax department is going to assess the farmer for income tax, surely to goodness we may have something to say about that matter.

Mr. Fulton: Speaking to the point of order, may I say that I was going to raise somewhat the same point as that raised by the hon. member who has just spoken. I can recall speeches made by the Minister of Agriculture on the first item of the estimates that have strayed much further, according to the strict interpretation you are trying to give, than has the speech of the hon. member for Middlesex East. On the first item of the estimates of the Department of Agriculture, when we are discussing the economic position of the Canadian farmer, surely it is in order to mention the factors that militate for or against his economic position. That is all the hon. member is doing. In agricultural speeches I have heard the Minister of Agriculture talk about the wheat board regulations. Surely the hon. member for Middlesex East can talk about the income tax regulations as they affect farmers.

The Chairman: I am sure the hon. member for Kamloops, who is a lawyer, would not care to pursue that argument too far. A farmer uses our national parks—

Mr. Fulton: Not on his farm, I hope.

The Chairman: —but questions pertaining to national parks would be much better discussed, perhaps, on the first item of the estimates of the Minister of Northern Affairs and National Resources. Our rules are designed to allow us to debate matters at the most appropriate time. We are now discussing agriculture. By custom, on the first item of a department we discuss departmental policy. Surely the hon. member for Kamloops is not going to argue that, on this item, we should discuss a matter which certainly more directly relates to income tax and which might much more appropriately be discussed under the estimates of the Minister of National Revenue.

Mr. Fulton: Mr. Chairman, I would be prepared to argue most certainly that the position of the farmer and the position of the agricultural industry generally are affected by the things which the hon. member is seeking to introduce into the debate here. On the first item, when you are discussing the position of the farmer, one of the things you are discussing is the level of farm income. I submit that it is perfectly in order to relate the facts which make for a healthy farm income to the first item of the estimates of the Minister of Agriculture. I come back again to what I said earlier. The Minister of Agriculture in his speeches embraces all these matters. If he can do so on the first item, I can see no reason why the hon. member for Middlesex East cannot do so in reply.

The Chairman: Perhaps the hon. member for Kamloops has failed to read the speech of the minister on this particular item.

Mr. Fulton: I was here when he made it.

The Chairman: However, I have heard the arguments of the two hon. members who spoke to the point of order and, persuasive as they are, I fail to fall in line with their reasoning. I am afraid I must rule that a discussion of this income tax problem is not in order at this time.

Mr. White (Middlesex East): Mr. Chairman, I shall leave discussion of the question of income tax for some future date, and it shall be the fiercer for the delay.

There is some misunderstanding with regard to subsidies. Many people, especially those in the cities, think all the subsidies that

are paid by the government are paid to one industry, namely agriculture. They are the only ones we hear about. I have in my hand a set of figures taken from the dominion bureau of statistics reference paper No. 39. I just want to point out the number of subsidies that are paid, to whom they are paid and what they amount to.

Back in 1940 agricultural subsidies amounted to $41 million and non-agricultural subsidies amounted to $11 million. Agricultural subsidies back in 1940 were 79 per cent of the total. But when we come from 1940 to 1954 we find that agricultural subsidies amounted to $34 million and non-agricultural subsidies to $51 million. Hence the whole situation has been reversed. Today industries other than agriculture are enjoying greater subsidies than is agriculture. The percentage in 1954 was about 40 per cent; I refer to agricultural subsidies.

These subsidies do not take into consideration any of the tariffs. After all tariffs, regardless of what they are, are really a subsidy to manufacturers, which the consumer pays. Not only the industry that enjoys the subsidy but the labourer who works in that industry is benefited by that tariff. I want to point out that fact because so many other hon. members who have preceded me in speaking have more or less been asking that the whole tariff situation be reviewed. As I mentioned before, the total agricultural subsidies in 1954 were $34 million. But for the same year the gold mining industry received $15 million—one industry alone—more than half as much as all agriculture received. I should like the people to realize that the agricultural industry is not the only one that is being subsidized in this country.

Just while I am dealing with tariffs, may I say that I hold in my hand a statement concerning the turkey industry. The poultry industry has grown by leaps and bounds in this country. Now we find the importation of dressed turkeys and other poultry products from the United States making inroads into the trade of the Canadian farmer. Right down here on Sparks street you will see Vermont turkey advertised. In 1954 Canada imported 5 million pounds of turkey from the United States. In 1955 the figure jumped to 10,351,000 pounds. So far this year, or up to February 25, the imports have amounted to 470,000 pounds as against 95,000 pounds in the same time last year. In other words the importation of United States poultry into Canada is making terrific inroads. Here is a market for Canadian grain. Canadian poultry producers would be buying more grain to feed their poultry if it were not for those importations, and it would help to reduce the surplus of grain in the western provinces. This is a product that Canadians can produce.

What about the duty? The poultry people asked for a duty of 12½ per cent, as now, but with a minimum of 5 cents a pound. This is identical with the United States tariff on eviscerated turkeys. However, on dressed turkeys the United States rate is 10 cents a pound; hence the Canadian proposal is a moderate one. I suggest that the government give further consideration to the problem.

I hold in my hand an editorial from the Montreal *Gazette* of today. The editorial is based on a pamphlet issued by the Canadian institute of international affairs. It is entitled, "What is Happening to Wheat?" I have been critical at times of the length of time and the number of speeches that have been devoted to wheat in this house, but the western economy and in fact the Canadian economy are tied up with it. This is one of the things the Canadian institute of international affairs had to say:

> But the conclusion remains inconclusive. "Looking into the tunnel of the future of wheat sales," the writers admit, "it must be conceded that no light is visible".

In other words, there does not seem to be any answer to this problem of recurring wheat surpluses. For some time we have been a wheat exporting country, but many of the countries to whom we exported wheat are now exporters themselves. Instead of being importers they are now exporters and that aggravates the situation. Agriculture in Canada needs more to be diversified than at any time in its history. Some guidance and some assurances are required from the government before the farmers in large numbers are going to switch from one type of agriculture to another. There must be some guidance, some continuity of markets before they make the switch.

I also hold in my hand an editorial from the Sarnia *Observer* which is entitled, "The Sad Sugar Beet Story". There are many acres in Manitoba and Alberta that are suitable for the production of sugar beets. In southwestern Ontario we have been growing sugar beets for many years. There are two sugar beet factories in southwestern Ontario, one at Chatham and the other at Wallaceburg. I understand that one of these plants will not operate this year. Yet we have acres of land that could be devoted to the production of sugar, an article we import. The use of those acres for this purpose would take wheat off the market and put sugar on the market. The farmers who have been engaged in sugar beet growing in the past have done fairly well. Yet we drift and lose the sugar beet industry that we have built up. The sugar beet plants in southwestern Ontario

require at least 30,000 or 40,000 acres of sugar beets to operate economically and well. So far this year only 19,000 acres of sugar beets are contracted for in southwestern Ontario.

We as a people are prepared to delegate authority to groups without giving the matter sufficient consideration. If there is one agricultural product produced in this country that I know anything about it is honey. It has had its ups and downs so far as production and prices are concerned during the last few years. For many years Canada has been an exporting nation, but now she has drifted into the column of the importing nations so far as honey is concerned. Our importations are now running around 5 million pounds a year, but we used to export a great deal more than that each year.

In many of the provinces co-operative companies are set up by the honey producers to process and market the honey of their producer members. One of the astounding things to me is this. The Canadian beekeepers' council, in co-operation with the managers of those co-operatives, has brought enough pressure to bear on the dominion Department of Agriculture to have the words that designate the country of origin of the honey removed from the containers. It is no longer necessary for a Canadian packer of honey to put on the container how much, if any, foreign honey is in the container. That is working against the Canadian producers of honey. Those very co-operatives that were supposed to serve the interests of the producer are among the importers of this foreign honey.

As I say, they have brought pressure to bear on the dominion department to have that grading and marketing regulation changed. I hold in my hand copies of the letters that have to do with it. I notice that the province of Quebec particularly protested very strongly against changing the regulations. According to the regulations as they now exist all that has to be put on a carton of honey that holds 12 or 24 pails is the country of origin; but when it reaches the grocer's shelves it is marked as Canadian honey, and even the word "Canadian" can be removed. As I say, we delegate too much authority to certain people and do not follow it up to see what they are doing.

There is another thing the Department of Agriculture should look into. Some time ago I asked that the tenders for milk for the veterans' hospital at London, Ontario, be tabled. One of the dairies tendered a rather low price. That is all right, but this is what happened. Immediately the district purchasing agent at Kingston had this to say, and I quote from a letter from the Department of Defence Production signed by Frank Power, district purchasing agent, 953 Somerset street west, Ottawa. He wrote to Mr. Fred Burnette, secretary of the milk distributors at Kingston, Ontario.

> Our headquarters have been checking the milk prices paid in this area and in view of the fact that the dairies in Ottawa and Picton are supplying the army with fresh milk at $0.57 per gallon, they have instructed us to write you and request that you give serious and immediate consideration to the high price you are charging for fresh milk in Kingston.

As soon as this one dairy tendered at a low price to get into the market in London, Ontario, the effect was going to be siphoned back to the suppliers of fresh milk in every area in the country, apparently, because this took place very shortly after the tender was received in London.

The Chairman: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Fulton: On a point of order, with relation to the discussion we had earlier I would like to point out to you, sir, that although as the hon. member from Middlesex East has said he could deal with the point elsewhere, when it comes to the matter of discussing the impact of income tax on farmers and on agriculture generally, in fact, the matter has been alluded to on more than one occasion in the course of the discussion of certain estimates, and in the house in a speech made by the minister himself.

I would refer Your Honour to page 1061 of *Hansard* of this session, where there was some question of income tax figures; to page 1062, where the minister made reference to figures of real income versus cash income and discussed cash income and net income; to page 1063, where the minister and the hon. member for Dauphin indulged in some discussion of the question of net worth as against some other basis of calculating income, the position of farmers, and where mention was made of the figures produced by the income tax branch; and also to page 1064 where figures of net income against cash income were used.

I suggest to you, sir, that the subject has been introduced and made a matter of some considerable importance in the course of the speech made by the minister in introducing his estimates.

The Chairman: Order. The hon. member is making a case with which I cannot entirely agree. For instance, I have in front

of me one portion of the minister's speech reported at page 1061 of *Hansard*, which reads as follows:

> Good farmers in Saskatchewan, since we have had income taxes to pay, carry their wheat along knowing that they can average their income over the years—

—and so on. I do not think the hon. member would wish to argue that a passing reference to income taxes is in the same category as attempting to discuss a particular case at some length, as the hon. member for Middlesex East indicated he wished to do. However, I will look at the other references the hon. member for Kamloops has given me and will be very glad to consider them.

Mr. Yuill: Mr. Chairman, it is not my intention to take up the time of the house by quoting a lot of statistics that have already been quoted. I believe my colleague the hon. member for Battle River-Camrose and many other hon. members have given statistics that prove conclusively that the plight of agriculture is not a happy one.

Statistics are always extremely interesting, particularly when they relate to the part of agriculture that is closest to one's heart. Being associated with the livestock industry for a number of years it is always interesting for me to find out what is going on. Generally speaking the statistics to which I refer relate to the number of livestock produced and their gross sales value, broken down as to various types and grades and of course the unit prices that relate thereto.

Generally speaking, many of the people who are engaged in the livestock industry seem to accept these statistics as inevitable. They appear to take it for granted that it is an act of fate that we have substandard grades. I believe this is partly due to the unrealistic thinking of some of those engaged in the agricultural business. I cannot bring my reasoning to coincide with those who feel that they can forever produce substandard foundation stock and expect to get top grades. I think that is one of the common faults of many livestock producers today. In that respect I believe we contribute considerably to our own plight, and if that is so I think another thing must be taken into consideration.

Many people today, particularly those who are not established in agriculture or livestock producing, feel that it is beyond the financial ability of the livestock producers to go out and buy No. 1 breeding stock. This is reflected in many ways. First of all it is reflected in the grade the producer receives, and it is also reflected in the over-all standard of the dominion as a whole.

I believe it would be worth while for the government to make available to those in

that position certain sums of money in order that they may provide a proper foundation stock. It may be argued, of course, that such money is already available through farm loans. I do not know how it applies, but my experience with farm loans is that by the time they take care of the other apparently more urgent needs there is nothing left to apply to proper foundation stock. I do not know exactly what attitude the government would take, but I believe that charity begins at home, and I think that would be one way whereby the government could greatly assist with a minimum of expense.

There are other things which contribute to the plight of the livestock grower. When he takes his stock to market he receives top grades in some cases but in many cases he receives substandard grade. Another matter which is worthy of consideration is the ill-advised practice followed by those charged with processing, particularly pork. It is a well known fact that after these products are processed and marketed many inferior grades masquerade under a first-grade banner or brand. I think I can say with safety that you can go into nine out of ten meat stores in this city and discover that this is the case. If the government would be a little more careful in its inspections it would be of benefit to the over-all economy of the country.

I think we took a step in the right direction last session when we ruled out of the picture striped wrapping for bacon. That was something which was very necessary at that time, but I think we left as a substitute for it something which is perhaps even more vicious. It has been my experience since coming here this session to find, masquerading as No. 1 back bacon, meat which is nothing but No. 4 sow back bacon. True, it had the fat trimmed off and looked rather good to the unsuspecting public, but in reality it was still sow bacon. I have bought bacon myself wrapped as No. 1 which proved to be at least No. 2. Then you will find hams which by no stretch of the imagination could be qualified as No. 1. They may be split into perhaps three pieces, but are wrapped in attractive packages and sold at No. 1 prices.

These are some of the things that could be done to help the consuming public and at the same time allow the farmer, the ultimate consumer, to buy back his own products at a fair price. These things may not appear to be important, but I think they are. It is the easy things of this kind that we can do in order to get back to a more realistic sense of duty and responsibility. So long as we permit these unfair business tactics to prevail we will be falling short of our responsibility as members of parliament.

Then so far as the beef industry is concerned there are many merchants—this is more characteristic of the big merchants—who are ready to charge a price without having any sense of the true value. It may be that I am more critical than some, but I always try to keep my eyes open to see what the other fellow is doing in my own business. I have found many cases where the true grade is not represented. The article is put into an attractive package and a price charged which is far beyond the true value. To me that is nothing less than racketeering, and I think it is high time we did something about it.

There are many who feel that the government must take full responsibility for everything in connection with agriculture, but I think we should be realistic enough to know that there are contributing factors. The price of meat is regulated by many factors, the weather being one. If the roads are bad and the supply is short inevitably the price goes up, or the reverse can happen. I believe that if we would try to deal with these simple things which are within the realm of possibility we would do a lot. It is simply a matter of carrying out regulations which exist already. There is a body of inspectors who are supposed to check these things. Someone must be falling down on the job, because it is quite obvious what is happening. You do not have to go very far before you find these things which are anything but right and fair.

So far as assistance in the purchasing of proper foundation stock is concerned, that to me would seem to be one of the easiest things to do. As far as the actual dollars and cents are concerned, it would cost the government next to nothing and I am sure it would pay huge dividends.

Mr. James: Mr. Chairman, I should like to take just a few minutes to express some of my thoughts on agriculture and to do something which I have not done since about 1950 or 1951; that is, to express the pride which I have in agriculture as it is practised in Durham county, from which I come. I have been most interested in listening this afternoon and this evening, as well as the other times we have been dealing with these estimates, to the extremely well-prepared and well-presented addresses dealing with agricultural problems as well as the many suggestions that have been made.

I should like to pay a real and sincere tribute to my good friend and colleague the parliamentary assistant to the Minister of Agriculture, who has been handling the estimates for part of this afternoon and this evening. In my opinion he is as well qualified to deal with these matters as any hon. member on the opposition side, if not better. Over the years he has done a terrific job for agriculture in Ontario and throughout Canada, as has his minister. We are proud of him and we congratulate him.

I want to congratulate the Department of Agriculture and the government upon their agricultural policies over the years. I have no apologies to make, either to my own people back home or to anyone in Canada, for the agricultural policies which have been pursued by this government for a period of some 20 years. A tremendous job has been done for agriculture.

Undoubtedly everyone, and this would include the Minister of Agriculture and his cabinet colleagues, will admit that at the present time there are soft spots in agriculture. I would be the first to admit that. I have a letter which I received today from a good friend in Durham county who is engaged in agriculture. The main point he brings up is that hon. members of this house, and especially the member for Durham, should continue to put forward the agricultural position so the urban people may understand the difficulties which agriculture must face. I was interested in hearing the hon. member for Assiniboia suggest that the neswpapers across Canada do not present a fair picture of agriculture and its problems to their readers. I wish he had qualified that statement by referring only to urban newspapers.

Mr. Argue: I said most of the big city dailies.

Mr. James: It so happens that I have some connection with a weekly newspaper, of which there are some 900 in Canada. I can assure the hon. members of this house that the weekly newspapers are most conscious of the problems facing the agricultural people of this country. Over the years they have done a great deal to support them in their activities. I repeat that I wish the hon. member had qualified his statement. I do not want to condemn all daily newspapers, as I know there are some which appreciate and understand the problems of agriculture, but others seem more inclined to think of the high prices the city people might have to pay if agriculture received the prices it is entitled to receive.

To deal just for a moment with agriculture in Durham county, we are very proud of our agriculturists, as I have said. There may be objection to this from some quarters, but we feel that without any doubt we have the finest apples there are in Canada.

Mr. Bennett: Pardon?

Mr. James: I am glad to see that the hon. member for Grey North is taking exception to that, because he made some disparaging remarks when talking about his own county's apples some time ago, and I am just handing it back to him.

An hon. Member: What about some samples?

Mr. James: You had samples a few years ago, and I know everyone enjoyed them to the full. One of the finest proofs, if you like, that the apples we have in Durham county are of a superlative type was given at the last Royal Winter Fair, when an excellent farmer and apple grower, Wilfred Carruthers, and his son, from Bowmanville, practically swept all the top prizes at that fair in apple growing.

An hon. Member: Conservatives.

Mr. James: I hesitate to say anything in response to someone who is injecting "Conservatives", because I am quite well aware that, in this case especially, there are good Conservative apple growers in Durham county as well.

Mr. Studer: The socialist apple would have a worm in it.

Mr. James: But the prize ones happen to have been grown this year by a family of good Liberals.

An hon. Member: You mean there are good ones?

Mr. James: I wish to pay tribute to Mr. Carruthers, and his wife and son for the excellent job they did. There is another field in which Durham county has excelled for many years. It comes under the heading of the agricultural representative. Our agricultural representative is a man by the name of Ed Summers, who has been there for some 26 years now. He has done one of the most remarkable jobs I have seen or anybody else has seen. His judging teams of young farmers have swept practically all the prizes throughout Ontario and, indeed, he and his teams, especially his seed grain judging team, established a record of 26 consecutive victories in the district competition, which I believe has never been equalled, nor will it be equalled in your lifetime or mine.

I also wish to pay tribute to the many other fine farmers we have in Durham county. Some of them are doing remarkably well. Some of them are following the trend that is outlined in the *Financial Post*, of gradually obtaining more and more land and, in this industrialization of farming, converting their small acreage into large operations. I believe those people are doing remarkably well and will continue to do so.

Some of the small farmers are not doing as well as one would like them to be doing. Undoubtedly there are many marginal farmers who are working hard but not getting the results from their efforts that they should. We are in a rather unique part of Canada in that we have an excellent farming community and right alongside we have the great plants of General Motors, Goodyear and so on, down through to Port Hope, where we have the Mathews Conveyer Company Limited, Nicholson File Company, Port Hope Sanitary Manufacturing Company Limited, and many other plants. Those plants have employees who are receiving excellent wages, almost top wages within Canada. It is very difficult for the farmers of my area to resist the temptation to leave their farms, being lured to the towns where those industries are paying, as I have said, top wages throughout Canada. But many of them are staying on the farms and continuing the lives their fathers and grandfathers led before them, in the hope that farming will continue to provide their livelihood for the remainder of their lives. I have one friend who went through college, came to work in Ottawa for a while in one of the departments, then returned to his father's farm and took it over. He appears to be sincerely enjoying that type of life. It is a type of living that one cannot get from the factories or in the urban communities.

As I have said, I have no apologies to make for this government's farm policy. I have seen it progress throughout the years. I have seen the great demands—what I would almost call the irresponsible demands—from the opposition benches. According to their words, those members would quite willingly give pie in the sky to everyone in Canada. They have no responsibility for carrying it out. I dare say if they were on the government benches they would not carry out one-eighth of what they have said in this house.

Fortunately in this country we have a government which is most interested in agriculture and in every other part of the economy. We have a responsible government, a government which is responsible not only to the city-dwelling taxpayers but also to the rural taxpayers, a government which is carrying out that responsibility to the best of its ability and upon the advice of the many farm organizations across Canada. We have seen from the many briefs we have received that in the main the agricultural organizations back this government's policy to the full. Certainly they want more than this government is able to do at the present time or feels it should do at the present time.

I believe that holds true for practically every member who has rural constituents and who is interested in farm policies. We too are constantly urging the government to do more, and we have the same sense of responsibility some of the opposition speakers seem to have. We would probably be on our feet screaming our heads off about how dreadful conditions are on our farms and how poor those farmers are, and screaming to high heaven for parity prices—120 per cent parity prices, if you like—

Mr. Argue: That would not be parity.

Mr. James: You would not take 120? I am glad to hear that. They have had 90 and 75, and it is very difficult to know just where they end. However, as I have said, we Liberals too are most interested in the farm policies of Canada. We are most interested in farmers and in their welfare—

Mr. Fleming: And their votes.

Mr. James:—and we are constantly urging the government to take further steps along these lines. We have seen at least two improvements this session, with the extension of the Farm Improvement Loans Act and the extension in the general farm loan legislation. I feel quite certain that this improvement is going to continue until we have agriculture at the level where the government thinks it should be and the farmers throughout this country feel it should be.

I was most interested again in the remarks of the hon. member for Assiniboia, who has a very peculiar concept of what should be done in Canada. He seems to feel, as indeed some farm organizations and some farmers throughout Canada seem to feel, that there is only one way to lick the problem of farm surpluses and other problems of the farm economy, and that is for farmers throughout Canada to join with labour and form a great pressure group which could automatically elect a complete government of labour and farm people which would automatically do everything for labour and the farmers. If you follow his thinking far enough, it would do nothing for anybody else.

I cannot quite see the day coming when that kind of pressure politics would be accepted as a normal thing in our Canadian political system, and I hope it never happens. We represent the people of our areas here as best we know how and we shall continue to do so. I am quite confident that the government will remain in office on the strength of the votes of farmers who will support the policies that have been enacted over the years and that will be enacted for their benefit on a responsible basis in future years.

I was most interested in the remarks of the hon. member for Assiniboia when he quoted Dr. Hope, the economist of the Canadian Federation of Agriculture, as saying that this government was doing less than any other government in the world for its farmers. Peculiarly enough I had read an article by Dr. Hope some time earlier, at one of the federation of agriculture meetings I have attended over the years. The article is to be found in the January issue of *The Country Guide*. This well known economist made a very good survey of the problem of the squeeze on farmers. I should like to read a part of what he said, which shows quite definitely that Dr. Hope, as an economist with considerable knowledge of this problem and with no political bias, shall we say, did not blame the situation of the farmers on the federal government of Canada as so many speakers have done tonight. Dr. Hope, who should and I believe does know his subject, and who is also more interested in the farmers than possibly most people here, had this to say:

> International trade in farm products, which rose steadily from 1946 to 1951, has now levelled off and is not increasing. Countries which, a few years ago, needed to import large quantities of food products, are now requiring less or, in some cases, have even become large exporters of some products. Examples of the latter are France and Turkey, which are now net exporters of wheat. This drying up of export demand from countries outside of North America has seriously affected the export trade in farm products for Canada and the United States . . .

In this article, Dr. Hope goes on to say that one of the main reasons for the decline in farm income from 1951 onward is the very point made in the quotation I have read, the surplus of agricultural products throughout the world, including Canada and the United States. If you accept Dr. Hope's opinion on the one score, surely you will be willing to accept his opinion on the other.

May I say again to hon. members and to my constituents back home that I shall continue my efforts while in the house to have done for the farm economy of Canada everything I feel can responsibly be done. I will also bring every effort to bear on the cabinet if I feel they are not doing enough, and will bring that same effort to bear in encouraging them to continue the policies—

Mr. Fulton: Which policy?

Mr. James: —they have followed for many years and to improve—

Mr. Fulton: Which policy?

Mr. James: —as we go on the policies of this government and the Liberal party throughout Canada. I am sure that in the end the farmers will fare far better than

they would if they entrusted their luck to the peculiar sense of responsibility evidenced by the Conservative, C.C.F., or Social Credit parties in this house.

Mr. Zaplitny: Mr. Chairman, I listened with great interest to the hon. member for Durham. He spoke of the great apple growing industry in his constituency and I am sure it is every bit as good as he says it is. I do not know whether he is an apple grower himself, but he surely qualifies as an apple polisher. He did a splendid job tonight.

I was rather intrigued with his argument that agriculture is well off under present Liberal policy, but I think a cold, unemotional look at the statistics is perhaps more indicative than the kind of speech we have just heard. When we look at the statistics and find that the almost 20 per cent of the Canadian population engaged in agriculture last year received less than 7 per cent of the national income, then I am afraid my hon. friend will have to revise some of his opinions with regard to the prosperity of agriculture generally.

However, it is not my intention to follow the line he has taken. I want to refer this evening to a few matters that come under the administration of the Department of Agriculture and try to get answers to some of the questions we have been asking for a number of sessions. I wish to begin with one of the acts administered by the department, the Prairie Farm Assistance Act. My colleague the hon. member for Selkirk has on many occasions brought up in the house the problem of the application of that act as it affects his constituency, and there are many other areas in the province of Manitoba which are similarly affected.

At this time I should like to make a plea to the parliamentary assistant, who is piloting these estimates through, and to the government generally to have a second look at the Prairie Farm Assistance Act. In the speech from the throne at the beginning of the session we were advised that amendments to the Prairie Farm Assistance Act would be coming forward this session. Later in the session, in reply to a question from this side of the house, the Minister of Agriculture stated that the government had changed their minds and that there would be no amendments to the act during this session. I am hoping they will change their minds again, because if we have crop losses in the prairie provinces on the same scale or anything approaching the scale of 1955 we are going to find that the act will again be a most inadequate instrument to compensate the farmers for the losses they will suffer.

There are a number of things wrong with the act, and I should like to point out three of them. First of all there is the question of picking out eligible blocks. We know it has been difficult enough to qualify under the act at any time. A few years ago an amendment was passed by parliament making an eligible block an irregular block, that is making it permissible to attach parts of townships to an eligible block regardless of whether they were rectangular or any other shape. That went a long way toward ironing out some of the injustices which had occurred under the act in previous years.

Later, I believe it was two years ago, the government saw fit to amend the act to do away with the irregular block and return to the rectangular block again. Since that time we have again had the experience of some farmers in a township who have had a total crop loss not being able to qualify because there were farmers living near them who had had a fair crop of wheat; and because it is not possible now to attach blocks of sections to the rectangular block they find themselves left out of the act entirely. That is something that must be changed if we are to bring about any kind of justice under that act, particularly in the province of Manitoba.

There is another matter, and that is the part of the act which now denies the benefits of the act to any person who is farming land which he purchased from the provincial government after January 1, 1940, with the exception, of course, of V.L.A. land. There are many farmers in the province of Manitoba, particularly in the northern parts of it which developed rapidly after 1940, who purchased land from the government of Manitoba. This land is quite suitable for growing grain.

These farmers are obliged to pay a levy of 1 per cent on every bushel of grain they market. It is deducted from their grain ticket when they deliver to the elevator; it is not a matter of choice. It is a tax which they are obliged to pay. That money goes into the prairie farm assistance fund. Then after a number of years, after having paid perhaps $2,000 into the fund, when these farmers suffer a crop loss and make application for prairie farm assistance, they are told that under the act, since their land was purchased after January 1, 1940 and it is not V.L.A. land, they are not eligible for prairie farm assistance.

That is a distinct injustice. It is a distinct discrimination. Under any form of crop insurance scheme a thing like that simply could not occur. We know that under any crop insurance scheme, if a person pays his premium he becomes eligible for compensation in case of loss. That is a fundamental principle of insurance. But under this legislation the government has taken unto itself the right to levy a tax of 1 per cent on every bushel of grain the farmer sells and then to tell him, after he has paid this levy for five, six or ten years, that he is not eligible to collect anything from this fund. It is a one-way street as far as they are concerned. That is another injustice which must be ironed out. It is becoming a major problem in many parts of Manitoba, and many farmers feel strongly on that point.

Those are two of the items that need straightening out under the Prairie Farm Assistance Act. We would have expected that some action would be taken during the present session of parliament. However, we have been informed by the minister that he has changed his mind and no amendments will be brought down. I hope he will take a second look.

While I am dealing with the Prairie Farm Assistance Act I also want to say this. In the prairie provinces, particularly in the province of Manitoba, which under the Prairie Farm Assistance Act has had the experience of having paid into the fund almost three times as much as it has received from it, there is a growing feeling that some other form of insurance is required. But even in the other provinces which we have, percentagewise, fared a little bit better under this act there is growing up a strong demand for some form of crop insurance.

Only two years ago in Manitoba, and earlier than that in the province of Saskatchewan investigations were made into the feasibility of setting up a crop insurance scheme on a provincial basis. The reports of the commissions in both provinces have raised some doubts whether it would be financially possible for a province to underwrite a crop insurance scheme on its own. I think the time is going to come—and it may have to be very soon—when the federal government will have to sit down with the representatives of the three prairie provinces and work out a sound, feasible financial arrangement under which a crop insurance scheme covering the three prairie provinces could be set up in order that every farmer who pays his premium under such a scheme would become eligible for compensation in case of crop loss. That is something with regard to which the federal government should take some initiative.

I also want to refer to another act which comes under the Department of Agriculture. I refer to the Prairie Farm Rehabilitation Act. At the beginning of this session I had placed on the order paper a resolution calling for the expansion of the present Prairie Farm Rehabilitation Act into a sort of Canadian rehabilitation act which would cover all agricultural areas in Canada. We on the prairies are conscious of the fact that there are many other parts of Canada outside the prairie provinces that have problems of reclamation, conservation and drainage, and that there should be something under which these projects could be undertaken.

I want to deal particularly with what are referred to in the estimates as the special projects. These are the projects which are carried out by prairie farm rehabilitation personnel and management but which do not come directly under the terms of the act. They are carried out under a special vote of this parliament. We have had a number of these special projects in the province of Manitoba, and a good part of the work was done in the constituency of Dauphin.

This spring we were greatly disappointed to find that the federal government is backing down or backing away from even the inadequate position it had taken some years ago with regard to these special projects. Until recently the arrangement that had been made was that the federal government would pay 50 per cent of the cost of these special projects having to do with flood control and that the province would share the other 50 per cent with the municipalities. In practice it worked out that, at the beginning, the federal government paid 50 per cent of the cost plus the costs of surveying and engineering, which were carried out by P.F.R.A. personnel and the province paid approximately two-thirds of the other 50 per cent. That left about one-sixth of the cost for the municipalities concerned. Even under that system, and even though a great deal of valuable work was done, it was a heavy burden on the municipalities. In most cases the municipalities which needed these special flood control projects most were least able to pay their part of the cost.

Mr. Chairman, I note that it is ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall take the estimates of the Department of Public Works and the Department of Justice.

Mr. Green: I did not hear the second one.

Mr. Harris: Justice.

Mr. Green: You are not taking transport tomorrow?

Mr. Harris: No.

Mr. Knowles: Is the minister in a position to tell us the program for the first part of next week?

Mr. Harris: On Monday I think we will start with the bill to amend the Judges Act, which is on the order paper, but I am not sure what follows after that.

Mr. Drew: No decision yet.

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

ANSWERS TO QUESTIONS

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

ASSINIBOINE RIVER—FLOOD CONTROL

Question No. 344—**Mr. Dinsdale:**

1. How much has been expended by the federal government each year since 1950, on flood control measures on the Assiniboine river?
2. What has been the nature of these flood control measures in each year since 1950?
3. Have any expenditures been made by way of implementation of (a) the Russell reservoir; (b) the Portage cut-off, as recommended in the P.F.R.A. report of December, 1952?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. 1951-52 ..... $ 68,410.01
   1952-53 ..... 49,991.32
   1953-54 ..... 99,989.43
   1954-55 ..... 69,154.05
   1955-56 at March 1 .. 140,839.23

2. Diking and cut-offs.

3. No. The P.F.R.A. report of December, 1952, merely sets out the findings of the investigations made with respect to possible conservation and flood control measures which might be undertaken along the Assiniboine river, and is a part of the over-all investigations made for flood control in the Red river basin with particular reference to the greater Winnipeg area.

NATIONAL HEALTH AND WELFARE—FILM AWARDS

Question No. 439—**Mr. Mitchell (Sudbury):**

1. Have any of the films of the Department of National Health and Welfare ever won awards?
2. If so, which films have won what awards?

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

1. Yes. A number of the department's films have won high awards, mostly of an international nature. The awards were made by panels of recognized experts in the film making, medical and educational fields.

2. "Drug Addict"—First, non-theatrical class—First Canadian film awards, 1949.

"Challenge: Science Against Cancer" (French version)—First, international film festival, Venice, 1950.

"Teeth are to Keep" (French version)—Award, international film festival, Venice, 1950.

"Why Won't Tommy Eat"—Awarded place on "Ten Best Sellers" list of nutrition films for the U.S.A., 1951.

"Folie a Deux"—which demonstrates certain manifestations of various mental disorders. Received first place in the mental hygiene class at the 12th international film festival in Venice in 1951.

"Shyness"—which deals with abnormal shyness in children—judged the best 16 millimetre film at the sixth annual film festival, Cleveland, Ohio, in 1953. Was awarded a first at the Canadian film awards in 1953. Received the second award prize in the adult education section, at the fourth annual film festival at Boston in 1954.

"Frustrating Fours and Fascinating Fives"—a mental health film in the well-known "Ages and Stages" series—Award, Boston, 1953; Award, golden reel film festival of the American film assembly, 1954.

"The Homeless One"—a civil defence welfare film—Honourable mention, Canadian film awards, 1955.

"To Serve the Mind"—dealing with present day facilities for the treatment of mental health—Award, health and hygiene class, golden reel festival of the American film assembly, Chicago, 1956.

HOUSE OF COMMONS

Friday, May 4, 1956

The house met at eleven o'clock.

PRIVILEGE

MR. DIEFENBAKER—REFERENCE TO STATEMENTS BY MINISTER OF TRADE AND COMMERCE

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to rise on a question of privilege arising out of the tabling last evening by the Minister of Trade and Commerce (Mr. Howe) of a letter from Frank McMahon dated April 4, 1956. My question of privilege has to do with the fact that commencing on April 13 the Minister of Trade and Commerce denied in this house the possession of any documents from Frank McMahon. At no time did the minister raise the question that he had documents or that the documents were privileged; he denied that there were any such documents in his possession.

The first reference is to be found in *Hansard* of April 13, at page 2895, and the question asked is as follows:

> Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce and ask him whether he would place before the house the offer reported to have been made by Gairdner and Company Limited as an alternative to the trans-Canada pipe line proposition now before the house? Would the minister also table any offer received from the company, and also the one from the McMahon interests relative to this matter?
>
> Right Hon. C. D. Howe (Minister of Trade and Commerce): I shall be glad to table any documents I have. I have two documents from Gairdner and Company which I shall table; I have no documents from the McMahon interests.

And then on April 16 at page 2940 there was a motion—

Mr. Speaker: Order. May I interrupt the hon. member for Prince Albert to clarify one point. Have the documents he is now referring to been tabled as the result of a motion or have they been tabled voluntarily?

Mr. Diefenbaker: The motion was for production and Your Honour will see at page 2940 the motion was for the production—

> —of all letters and other documents received by the government or any minister or official from Mr. Frank McMahon or his agent or representative, and from Gairdner and Company Limited, since March 1, 1956, in which plans or offers have been made or suggested regarding the construction of a gas pipe line from Alberta to eastern Canada.

Then the minister said that he had filed the documents and my next remark was:

> The McMahon documents were not filed.
>
> Mr. Howe (Port Arthur): There were no McMahon documents.

Again I point out that there was no question raised by the minister that he had in his possession any document that was confidential because it was so marked. He said that he had no document. Then at page 3258 of *Hansard* of April 25 there was a motion by myself as follows:

> For a copy of any memoranda taken or made since March 25, 1956, by the Minister of Trade and Commerce, the Minister of Mines and Technical Surveys, or any official of either of their departments, or by anyone on their respective behalf, of any discussion or discussions with Mr. Frank McMahon, connected with or relative to any offer by him and his associates to build or construct a gas pipe line between the Alberta-Saskatchewan boundary and eastern Canada.

The minister took strong objection to having to keep a record of telephone conversations, and following that the Leader of the Opposition (Mr. Drew) had this to say:

> Mr. Speaker, before the question is put and since there is a *Hansard* record it might be well to point out that there is no mention here of telephone conversations.

The motion was put to the house and was defeated. Here is my question of privilege. I am not concerned and it is not any concern of the House of Commons as to whether the Minister of Trade and Commerce on his own received an alternative offer to the Trans-Canada Pipe Lines offer and concealed it from his colleagues, as apparently he did because the Prime Minister (Mr. St. Laurent) said yesterday he had never heard of this.

As far as parliament is concerned my submission is that the answers given, to say the least, indicate that no reliance was placed on the fact, as was raised the day before yesterday for the first time, that the letters from McMahon were private and confidential. The answers given by the minister constituted a cavalier and flagrant contempt of parliament and certainly we are entitled to have the information we asked for unless the minister is able to say, "I cannot produce these because of their confidentiality." He said that there were no documents. That statement was completely incorrect. I ask the minister through you, sir, to explain why it was that this alternative offer, which until the day before yesterday he said he had never

received, as there were no documents, was not produced to parliament and why he persisted in his stand that at no time had he received any letter. Yet on April 4 he had received a letter setting out in detail an offer and criticizing as well the Trans-Canada proposition.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the question is: When is an offer an offer? An offer is not made to me personally as I am not building the pipe line. I am interested in having the government build the pipe line. The letter was marked "Private" and when a letter is marked in that way, if you are going to respect a document at all it must be private to you.

Mr. Diefenbaker: Why did not you say that?

Mr. Howe (Port Arthur): Why did not I say that? I get letters from my sister. I suppose I should announce in parliament when I receive a personal letter from my sister.

Mr. Diefenbaker: About the pipe line?

Mr. Drew: Is she advising you in regard to the pipe line?

Mr. Howe (Port Arthur): When a letter is marked "confidential" I believe it is supposed to be confidential. I may be wrong, and I notice that my hon. friends doubt that such things have any significance at all, but to me they do have. I have never double-crossed anybody in my life knowingly. Therefore I respect a private and confidential letter and I keep it private and I keep it confidential.

Mr. Diefenbaker: Why did you not tell parliament?

Mr. Howe (Port Arthur): That is a fine way to keep a letter private and confidential, to tell parliament about it. The front bench of the Conservative party amazes me.

Their idea of morality is most extraordinary. Just because another Conservative horse will not run, they are trying to say that I should disclose a private and confidential letter.

Hon. George A. Drew (Leader of the Opposition): The statement just made in no way deals with the point that was raised. That was the positive statement by the minister that there were no documents. If anybody was double-crossed, parliament was double-crossed by the minister.

Mr. J. M. Macdonnell (Greenwood): I should like to draw the attention of the house to the fact that the confidential nature changed between early in April and May 2. On May 2 the minister said:

> I have received no letter that I am free to table in this house.
>
> [Mr. Diefenbaker.]

That was a correct statement. That preserves the confidentiality, but why on May 2 he should tell us this and why he could not tell us earlier in the month is something nobody could possibly explain.

Mr. Howe (Port Arthur): I call your attention to the fact that a letter addressed to me that I am not free to table is not a document for parliament. I was asked for documents.

An hon. Member: Why didn't you tell the Prime Minister?

Mr. Macdonnell: Are we to understand that this answer is based on the theory that a letter is not a document? Is that the view we are now asked to accept?

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker—

Mr. Speaker: Order. May I state—

Mr. Green: I would—

Mr. Speaker: Order. I think the hon. member for Vancouver-Quadra has overlooked the fact that I was standing and asking for order. We have not yet embarked upon our routine proceedings. The hon. member for Prince Albert has raised a question of privilege. It was one between himself and the minister. The minister has given his explanation. I think now we ought to proceed with the routine proceedings.

Mr. Green: Your Honour, my question had to do with the minister's explanation.

Mr. Speaker: Does the hon. member contend that a question of privilege is one that facilitates a debate? Is a question of privilege debatable?

Some hon. Members: No.

Mr. Green: I was proposing to ask—

Mr. Speaker: The answer is no. Let us go into routine proceedings.

Mr. Green: I was preparing to ask the minister to clarify the statement he has just made—

Mr. Speaker: He has given the answer to a question of privilege that was raised by the hon. member for Prince Albert.

Mr. Colin Cameron (Nanaimo): I rise on a point of privilege, Mr. Speaker. As a member of this house, I want to question your statement that the matter raised by the hon. member for Prince Albert concerned only him and the Minister of Trade and Commerce. As a member of this house I maintain that it concerns me when the question is the correctness of a minister's answer.

Mr. Speaker: I am sorry if I have aroused the indignation of the hon. member and perhaps of others. The word "procedure" comes from the Latin word "procedere", which means "go forward". I am here to keep things going. The point of privilege was raised by the hon. member for Prince Albert. He was listened to in silence, and I include myself among those who listened to him very reverently. The Minister of Trade and Commerce, in accordance with our rules, gave an explanation regarding the point of privilege which the hon. member for Prince Albert had raised. Hon. members have heard his answer. The debate that was pursued after that by the Leader of the Opposition and by the hon. member for Greenwood had to do with whether or not a document which is marked private is to be considered a document as far as this house is concerned. It is obvious that the Minister of Trade and Commerce held the view that a document marked private or confidential is not a document in the sense of documents that this house may require. To me this is absolutely right because at page 258 of May, fifteenth edition, I find the following:

> However ample the power of each house to enforce the production of papers may be, a sufficient cause must be shown for the exercise of that power; and if considerations of public policy can be urged against a motion for papers, it is either withdrawn, or otherwise dealt with according to the judgment of the house.

I read this because it shows that there are documents that this house, however ample its power may be, is not entitled to have. How long am I going to allow a debate to go on? Even if the hon. member for Nanaimo is interested as I may be in having a debate on the question as to what is a document as far as this house is concerned, we are dealing here with what constitutes a private or confidential document and we could go on all day with such a debate. But we have an order paper and a question of privilege is not debatable. If the hon member can show me a reference indicating that a question of privilege is debatable I should like to see it.

Mr. Ellis: It can still be made.

Mr. Drew: Mr. Speaker, what was before Your Honour was not a debate.

Some hon. Members: Oh, no!

Mr. Drew: What was before Your Honour was very clear evidence of the fact that a misstatement had been made to this house.

Some hon. Members: Order.

Mr. Drew: That was what was being placed before Your Honour.

Mr. Speaker: The Leader of the Opposition has his own view as to what was placed before him or what was placed before me. I suppose the Minister of Trade and Commerce also has his own view and I have mine. As far as I am concerned, I take it that a question of privilege was raised and an explanation was made by the person concerned. I have allowed a few questions because I felt that the house was prepared to have a few questions asked, but I think that now the house is willing to go ahead with the order of procedure.

BANK OF CANADA

REFERENCE OF ANNUAL REPORT TO COMMITTEE ON BANKING AND COMMERCE

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, by consent I should like to move:

> That the annual report of the Bank of Canada be referred to the standing committee on banking and commerce.

Motion agreed to.

PIPE LINES

STATEMENT BY MINISTER OF TRADE AND COMMERCE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I ask leave, under standing order 26 to move, seconded by the hon. member for Prince Albert (Mr. Diefenbaker), the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the statement of the Minister of Trade and Commerce to the effect that there were no documents in the possession of the government from Frank McMahon, which was contrary to the fact, and the extent to which such incorrect statement made by the minister misled the house as well as his colleagues in the government with regard to the existence of a possible alternative pipe-line proposal for carrying gas from Alberta to eastern Canada.

Mr. Speaker: Would the Leader of the Opposition, anyone in his party, or anyone in the house be kind enough to give me the reference in the authorities whereby a matter raised as a question of privilege can be the subject of a debate under standing order 26 instead of being pursued as a question of privilege in accordance with the procedure laid down for that type of matter? When a question of privilege is raised it may be the subject of a motion. It is then treated as such and takes precedence over all other matters, even motions by virtue of standing

order 26. It seems to me that if the hon. member for Prince Albert was not satisfied with the explanation given by the Minister of Trade and Commerce it was up to him to make a motion immediately which was one of privilege. The hon. member does not recall that such incidents have taken place in the house?

Mr. Diefenbaker: Your Honour stated that no debate was allowed and I adhered to your ruling and took my seat. No discussion was permitted.

Mr. Speaker: The hon. member knows that no debate can take place except, of course, if a motion is placed before the house. I have noted that in the last few years members who have raised questions of privilege have never pursued their points far enough in order to make them debatable. Once a question of privilege is raised it may be ended by a motion. Such motion may not be taken up immediately but a day may be appointed when it will be taken up. That, to me, should have been the course followed.

Mr. Drew: Mr. Speaker, this is not by way of continuance of a question of privilege. The statement was made by the hon. member on a question of privilege with regard to an answer he had received on different occasions. I am now raising this as a matter of procedure in this house, the position of the government in relation to parliament and the responsibility of ministers to answer correctly when questions are asked. I am putting forward a motion on that basis as a matter of urgent public importance in view of the fact that it has been announced that we may be debating the whole question of this pipe-line problem within a matter of a few days. I therefore submit, Mr. Speaker, that this is a motion correctly before the house at this time and that it is urgent because it is the one opportunity that will present itself for debate to determine whether or not there are other undisclosed offers which we have not been told about and which would provide us with a means of obtaining information that we should have before we proceed with a debate on this extremely important subject.

Mr. Speaker: If the Leader of the Opposition (Mr. Drew) himself were the subject of this motion, I am sure that he would have the right to insist upon having the house decide whether or not he himself had made a statement which was not correct. This motion, if it were allowed, would be debated all day and what would be the effect of it? At six o'clock tonight the house adjourns. The motion is predicated on the assumption that the statement of the Minister of Trade and Commerce (Mr. Howe) to the effect that there were no documents is incorrect. There is a point in dispute there. The minister says there were no documents that he could table. That was the sense of his explanation a moment ago but he said that there was a document or that there were documents marked private and confidential. Whether there was one document or more than one I do not know.

Arising out of that discussion that took place on the question of privilege, I think the matter should be the subject of a motion arising out of privilege and should be treated as such. I think that the one who is accused of a misstatement is entitled either to have that accusation confirmed by the house or to have his own stand that there was no misstatement vindicated by the house. As the matter stands now, this motion provides only for a debate but no chance for the house to express its views as to whether or not the statement made by the minister was a misstatement. I ask hon. members—any one of them—whether it is not true that if they were the subject of a motion of this kind, they would put forward the point that they are entitled to have their stand either condemned or vindicated by the house. By this motion such a thing could not take place. It is merely a motion to adjourn.

Mr. Fleming: Mr. Speaker, may I say a word on the point of order that you have raised. In the first place, you suggested that a motion related directly to the question of privilege could be placed upon the order paper and a day appointed for debate. May I remind you—

Mr. Speaker: No, no.

An hon. Member: Wrong again.

Mr. Speaker: What happens is this. I admit that it has been a long time since a question of privilege was pursued to its ultimate end. Perhaps it would be nice to have one again so that we would establish the procedure and everyone would know it and then the matter would not be so difficult. As the matter stands, many perhaps will say that I am laying down a new procedure that they have never heard of. However, it is there in the book. I do not bring my black notebooks into the house with me any more but later on I can get them and I will show hon. members precedents to the effect that when a question of privilege is raised, the member who is supposed to be concerned in it is entitled to explain. That is his right. Then the hon. member who raised the question may pursue the matter with a motion. He

makes a motion. That motion normally should be taken up immediately, be dealt with and decided upon; or someone may suggest, "We will take this up tomorrow". But these motions are not on the notice paper. They take place without notice. I would correct the hon. member when he says that you place a motion on the order paper. A motion with regard to privilege is one that must be taken up immediately.

Mr. Fleming: I was only taking up your own expression in saying what I did on that point, because I understood you were saying that if a motion directly arising out of a question of privilege were put forward a day would be appointed for it. I only point out that if that were the position it would not be possible to get any such motion on now and have it introduced by a private member unless the government undertook to sponsor it.

Now, you commenced your remarks this morning on this point of order by asking hon. members to point out to you where the procedure under standing order No. 26 had been used in relation to a matter that had been the subject of a question of privilege. With respect, Mr. Speaker, I should like to put before you this view that it is quite erroneous to assume that the procedure offered by standing order No. 26 cannot be used for this purpose. Why should it not be? I speak subject to correction, but I am not aware of any occasion upon which there has been a positive ruling that the procedure under standing order No. 26 cannot be used in relation to a motion of this kind. Therefore, I say to you I think it is quite erroneous to assume, in the absence of any such decision, that this procedure under standing order No. 26 is not available in cases of this kind.

I ask you further to consider this point, Mr. Speaker. You say this is simply a question of privilege. It certainly arises out of what has been said this morning in relation to the question of privilege, but here is a matter that has implications in it that go beyond what has passed back and forth this morning, having been uttered on one part on the question of privilege and on the other part by the minister in attempting an explanation. This motion introduced by the Leader of the Opposition (Mr. Drew) is a motion that goes right to the vitals of our parliamentary system. It is for that reason it is a matter of urgent public importance. Holding the views we do, nothing could be of greater public importance. In the situation which exists within the context in which this motion is brought forward, and in the context of the question of privilege brought forward today, nothing could be more urgent. Therefore I am submitting to you, on the point of order on which you are proceeding now to base a ruling on the motion, that it is a very proper motion under the procedure available here under standing order No. 26 and that there is no other available procedure to deal with this situation.

Mr. Speaker: I was very glad to hear the hon. member for Eglinton (Mr. Fleming) speak about procedure so enthusiastically and with great warmth. Evidently he likes procedure as much as I do, so I shall put him in my club.

Mr. Fleming: Do not put your club on me.

Mr. Speaker: No, that would be a different club. It has been a long time since the club of the Speaker was ornamented and put on the table where it has become known as the mace.

Has the hon. member looked at standing order 26, subsection 6, paragraph (e):

> The right to move the adjournment of the house for the above purposes is subject to the following restrictions:
> (e) The motion must not raise a question of privilege.

That is where the whole issue lies between hon. members and myself. It is a question of privilege. I think the hon. member so indicated a moment ago when he said that this matter was so important it went deep down into the roots of our parliamentary system. That is my reason for not accepting the amendment.

Mr. Fleming: May I make my point clearer. You say you are proposing to regard this as a motion raising a question of privilege. My point was that it is not just a question of privilege. It is true it arises out of a discussion here this morning that began with a question of privilege, but it is something that goes far beyond any question of privilege.

Mr. Speaker: It may go far beyond, but there is in it a question of privilege. The Minister of Trade and Commerce (Mr. Howe), in that motion which is one for the adjournment of the house, is accused of having made a misstatement. If the hon. member for Eglinton were accused, as the minister is, and if someone were to ask me that this matter be made one of privilege and a motion were brought by which he could either be condemned or vindicated by the house, I would say by all means let us have the motion. This motion under standing order 26 may be debated all day until the adjournment at six o'clock.

What is the position with respect to the accusation against the minister? So far as the house is concerned, when we adjourn at

six o'clock, there will still be the accusation that he made a misstatement. The minister is entitled to have the house decide on the statement made by the hon. member for Prince Albert or concerning any other speeches accusing him of a misstatement, and on his own explanation and any other speeches made on his behalf taking his point of view, to have the house decide whether or not he has made a misstatement.

There is a point at issue here; you are raising a question of privilege and to do so you say, "Let us move the adjournment of the house," and the result of the debate will be that we adjourn the house at six o'clock and the accusation still confronts the minister. The same thing would obtain if the hon. member or indeed if any other hon. member were concerned. It is a question of privilege and you have to deal with it as such.

The hon. member for Prince Albert should have pursued his point by moving a motion which might have been in the sense of this motion here. It would perhaps have been taken up immediately. Now we are into the routine proceedings and we must carry on.

Mr. Fleming: May I have one final word, Mr. Speaker? You heard this morning, Mr. Speaker, a question of privilege raised by the hon. member for Prince Albert. You heard the statement made by the Minister of Trade and Commerce in attempted explanation. And then when other hon. members sought to have something to say or sought to ask questions you ruled that the question of privilege had been disposed of and was not a debatable matter. I now submit to you that the question of privilege was then disposed of—

Mr. Speaker: I would be very happy to assist hon. members if they were to consult me before they made a move but while they are making a point in the house I cannot very well leave the throne and go and tell them what to do. They were not moving a motion; they were just debating. No matter how many hon. members think it was their question, the fact remains that the question of privilege was raised by the hon. member for Prince Albert, and it was up to him to move a motion. It was up to him to continue this matter to its proper conclusion. But I say that by virtue of section 26, 6 (e) and also because of the fact that this matter —a serious matter amounting to an accusation that the minister misinformed the house —is one of those matters which you cannot raise, save upon a substantive motion, an adjournment motion under standing order 26 cannot be accepted.

If the hon. member had continued with it as a matter of privilege, all well and good. Not having done that I have no other recourse but to cite citation No. 225 of Beauchesne's third edition which says:

Certain matters cannot be debated save upon a substantive motion—

And a matter of this kind is one of them.

Mr. Fleming: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: A moment ago when the hon. member rose to speak he said, "May I add one final word?"

Mr. Fleming: And you interrupted right in the middle of what I was saying.

Mr. Speaker: I took it that we were both finalizing the argument.

Mr. Fleming: No, Mr. Speaker, with respect, you cut me off right in the middle of what I was trying to say. I will be brief. All I was trying to say—

Some hon. Members: Oh, oh.

Mr. Fleming: There is no help from these raucous interruptions, but probably the adults could listen at any rate.

The question of privilege had been disposed of, as I understood what you said at that time; therefore section 26, 6 (e) does not apply to what is now before you because it refers to the question of privilege. The question of privilege had been disposed of and what is raised now is not a question of privilege. It is true it relates to the matters that were involved and it arises out of the attempted explanation of the minister, but in my respectful submission this was not a case within 26, 6 (e). It is the kind of case that is debatable; by 26, 6 (e) is meant one that is initiated by the question of privilege. The question of privilege had been disposed of and this is another motion and in my submission it clearly is not within 26, 6 (e).

Mr. Speaker: If what was raised by the hon. member for Prince Albert had not been raised this morning and if the Leader of the Opposition had moved the motion he has, there is privilege in that motion. It was an accusation against an hon. member of this house that he has made a misstatement and this is a matter which should be raised on a motion which will give the house a chance to say it is true or it is wrong. That is the whole idea.

Some hon. Members: Question.

Mr. Drew: Mr. Speaker, is your ruling that this is not debatable?

Mr. Speaker: Of course.

Mr. Drew: Then I appeal from your ruling, with respect.

Mr. Speaker: Mr. Drew has appealed from the ruling I have just given. Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Coldwell: Mr. Speaker, I rise on a point of order. Is there an appeal from the ruling of the Speaker under the standing orders of the house? I am not trying to block it but I just raise it because this is very important. If this is a precedent then some of the rest of us from time to time will use this as a precedent. I think we should understand what the rule is before we are called upon to vote on it.

Mr. Harris: Mr. Speaker, it has always been my understanding that there is no appeal from your ruling in this particular matter.

Mr. Fleming: We have had them before.

Mr. Speaker: Hon. members know the story of this. I am sorry that we have spent so much time because of a point of procedure and it is now 20 minutes to 12. I do not like to have to talk about procedure any more than is necessary but hon. members remember the story of this kind of appeal.

Mr. Speaker Black was the first one who made the ruling that there was no appeal of his decisions that motions should not be accepted because he was given the discretion under the old standing order No. 31, now standing order 26, to decide whether or not in his view a motion should be accepted.

Mr. Ralston, who was then an hon. member of the opposition, appealed the Speaker's ruling that there was no appeal. Mr. Speaker Black on other similar decisions later on ruled in the same way and no appeal was made of his ruling. The matter was tried again in Mr. Speaker Fauteux's time and again in my time. When I made the ruling that there was no appeal the Leader of the Opposition made a similar appeal basing his action on the action of Mr. Ralston in 1932.

Hon. members will recall that at that time I said as far as I am concerned there will be no further appeal of my rulings that there is no appeal on this standing order.

Although I was perhaps convinced at the beginning of my term that hon. members would want to support the Chair with respect to this rule that rulings are not debatable, I have tried—hon. members know that—but I have come to the conclusion that it is almost an illusion for any Speaker to think that when he makes his rulings the rulings are not debatable, because hon. members choose to debate them.

The authority of the Canadian Speaker is such that it is entirely in the hands of the house. Notwithstanding what I said at that time, if I were to say here that there is no appeal of my ruling some hon. members might say, "Well, he is being autocratic; he does not want to have his rulings appealed", so I have taken the view, because I feel it is the wish of the house to keep the Speaker in their hands and to have that sort of check on him, that they want to have an appeal so I did not make any objection. As a matter of fact I offered an hon. member an opportunity to appeal my ruling not very long ago. That is my position now. It is true that there are more decisions sustaining the Speaker's ruling that there is no appeal of his decision under standing order 26 than that his decision is appealable. It is true that the weight of opinion is on that side. I might clear the position by allowing the house to decide. If there is another decision by the house sustaining the ruling I made last time it will give more weight to the position that there is no appeal from the Speaker's ruling, according to this standing order 26, when he decides that there is no appeal.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, if upon reflection and based on the experience you have had already you feel that it would be desirable that there should be an appeal from your decision I would appreciate it if you would put the question again to the house because I am sure some hon. members did not understand what it was.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, before you do that may I say that if that is done on this occasion I would vote with the opposition on the ground that on another occasion we would be entitled to have exactly the same ruling made. The rule is clear and if it is going to be set aside today by a ruling of Your Honour then I must feel free to follow that precedent on another occasion when I or some other hon. member might be interested.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, you have referred already to the ruling of Mr. Speaker Black in connection with a motion made by Mr. Ralston. I would refer to Beauchesne's third edition, page 747, which indicates quite clearly that an appeal was allowed, instead of the contrary. On February 19, 1932, Hon. George Black, Speaker, refused to permit an appeal from his decision that it was not urgent to adjourn the house for the purpose of discussing an urgent matter of public importance. That ruling being appealed from, it was confirmed by the house. Mr. Ralston had

made a motion to the house and the Speaker said that it could not be debated. I quote from page 748 as follows:

> Mr. Speaker ruled that the statement was not in order and that the matter was not one of urgent public importance and moreover that there was no appeal from his decision.
>
> Mr. Ralston appealed from the Speaker's refusal to permit an appeal from his decision.
>
> And the question being put by Mr. Speaker: Shall the ruling of the chair be sustained? it was decided in the affirmative.

Mr. Harris: That is different.

Mr. Drew: The Minister of Finance interjects "That is different," but it is not different at all. I was placing the matter forward and had your ruling been that a vote could not be taken I intended then to follow precisely the same procedure as was followed in the case that I have just read from Beauchesne's third edition, as reported at page 747. Whether a vote is taken at this time or at the second stage on an appeal against the decision that there cannot be a vote I submit that this shows quite clearly that a vote can be taken in a case of this kind.

Mr. Harris: That was the point of my interjection. It has always been understood in the house that the decision by the Speaker that a motion was not a matter of urgent public business was not subject to appeal, but that your decision that there was no appeal was in fact subject to appeal. That is the point. This matter has been argued out several times in the last ten years and if Your Honour chooses to follow that procedure, of course there will ultimately be a vote of the house as to whether this second decision of yours is appealable.

Mr. Solon E. Low (Peace River): I just want to say one word. I am inclined to believe that since we have rules we should stand by those rules. If a vote comes I propose to take my position in accordance with that view.

Mr. Speaker: I just want to finalize the statement I made when the matter was raised the last time. There is a distinction. I am very much impressed by the attitude taken by the hon. member for Rosetown-Biggar. Standing order 26 reads:

> (1) Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance—
>
> (2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter . . .
>
> (3) He then hands a written statement of the matter proposed to be discussed to Mr. Speaker, who, if he thinks it in order—

These are the words:

> —and of urgent public importance—

[Mr. Drew.]

By that standing order the Speaker has been given the discretion to decide whether it is in order and of urgent public importance. If in his view it is not in order or of urgent public importance he does not accept it. In 1932 Mr. Speaker Black, on a point of order raised by Mr. Ralston, gave a decision which appears at page 748 of Beauchesne's third edition, and I quote:

> Mr. Speaker ruled that the statement was not in order and that the matter was not one of urgent public importance and moreover that there was no appeal from his decision.
>
> Mr. Ralston appealed from the Speaker's refusal to permit an appeal from his decision.

I think there are three rulings to the effect that an appeal can take place, and if I recall correctly there are four or five to the contrary. On page 855 of the *Journals* for Tuesday, July 5, 1955, I find this:

> Now, there were several occasions when standing order 31 was moved.

That is now standing order 26.

> And the Leader of the Opposition will find that only on one other occasion, when Mr. Speaker Fauteux was Speaker, an appeal in similar circumstances to a decision of the Speaker that there was no appeal was granted. On all other occasions the house has always accepted the decision made by the Speaker, and also has always accepted the view that in those circumstances there was no appeal from the Speaker's ruling.

Of course I must decide on the spur of the moment, but if I had time I could give the exact references for the rulings. I quote from page 858 of the *Journals* of the same year:

> In the future, whenever I make a ruling to the effect that the motion should not be accepted because it is not in order or is not of urgent public importance—that is that there is no urgency of debate—I will not grant an appeal from my decision that there is no appeal.

At that time the hon. member for Rosetown-Biggar sustained the ruling I made, and so did the hon. member for Peace River. I should like very much to have this decided because I feel convinced that this is the right one. There are many people who seem to be interested in what is said from this chair, perhaps sometimes not for purely academic reasons, and I do not want any accusation made that I have not allowed an appeal although standing order 12 provides an appeal. The hon. member for Rosetown-Biggar will say, "If you are convinced you are doing the wrong thing, why do you do it?" After what he has said and after what the hon. member for Peace River has said and after I have had a chance to indicate why I had a moment of weakness, I shall stick to my guns and rule that there is no appeal.

Mr. Drew: Mr. Speaker, pursuant to the ruling which I have just read I appeal from your decision that there is no appeal.

Mr. Speaker: My decision is that there is no appeal from my ruling that there is no appeal. The Leader of the Opposition has one recourse, that is to put a substantive motion on the order paper after notice asking that my conduct be either condemned or vindicated by the house. See *Debates,* volume I, 1932, pages 360-6; *Journals,* volume 70, 1932, pages 62-3; *Debates,* volume II, 1939, pages 1748-50; *Journals,* volume 77, 1939, page 178; *Debates,* volume IV, 1946, pages 3440-3; *Debates,* volume II, 1947, pages 1828-30; *Debates,* volume I, 1948, pages 122-3; *Debates,* volume III, 1941, pages 2298-9; *Debates,* volume I, 1944, pages 417-20; *Debates,* volume III, 1944, pages 2381-2; *Debates,* volume III, 1944, pages 2425-7; *Debates,* volume I, 1945, pages 736-41.

Mr. Drew: Mr. Speaker, I think it would be well to remember that there is a *Hansard* record. I do not believe it is appropriate that that should be left on the order paper.

There is no condemnation of the Speaker in seeking to obtain decisions in this house. The reference I made indicated quite freely an earlier case, clearly on all fours with this, where the house, for the purpose of obtaining an indication of how members thought on this subject, made an appeal, and there was no suggestion that that represented condemnation of the Speaker. I wish no suggestion left on this occasion of anything of that kind.

Mr. Speaker: I thank the Leader of the Opposition for having given this explanation. I would tell him that I had not in mind that there was a condemnation nor an acceptance of my position. I merely wanted to inform the house as to what was the next step if one wanted to go any further.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO PRESENT STATUS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. Has the Prime Minister made inquiries as to the nature of the telephone message yesterday from the Minister of Trade and Commerce to Mr. Frank J. McMahon, which led to the sudden and surprising withdrawal of his firm offer to build a gas pipe line from Alberta to Montreal?

Right Hon. L. S. St. Laurent (Prime Minister): No, I have made no such inquiries.

Mr. Drew: Then may I ask if the Prime Minister will make such inquiries so that we may know the nature of the communication, which is not on record and which did produce such surprising results so speedily?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce? In view of the minister's statement this morning that he is interested in having the government build the pipe line, may I ask if that means that we may soon expect an announcement that the trans-Canada pipe line will be built under government ownership?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I do not recall the statement to which reference is made.

Mr. Knowles: The minister made it this morning in reply to the question of privilege. He said that he was interested in having the government build the pipe line.

Mr. Howe (Port Arthur): I said that this morning?

Mr. Knowles: Now that the minister knows what he said this morning, will he tell us whether that means that that is his recommendation to the government?

Mr. Howe (Port Arthur): Well, I am very anxious to see the pipe line built. I had not been conscious of the fact that this morning I said anything to indicate the method.

Mr. Howard C. Green (Vancouver-Quadra): May I ask the minister whether the McMahon offer was ever placed before the cabinet?

Mr. Howe (Port Arthur): Mr. McMahon made his offer to me privately and confidentially, and I do not disclose the subject matter of private and confidential letters to anyone.

Mr. H. O. White (Middlesex East): In view of all the discussion this morning I wish to direct a question to the Minister of Trade and Commerce. In view of the fiasco that has been perpetrated on the Canadian people in these pipe-line negotiations, is the minister considering his resignation?

Some hon. Members: Oh!

Mr. Howe (Port Arthur): The pipe-line resolution is on the order paper. I assume we shall reach it one day, and at that time I am willing to discuss any matter having to do with pipe-line negotiations. I am ready at any time to discuss any public document bearing on the subject but I am not prepared to discuss with anyone a letter that is sent to me marked private and confidential, unless I have the permission of the writer to do so. I asked the permission of the writer

to make the letters public and I got that permission, so that letter is no longer private and confidential. When the pipe-line debate is resumed, I shall be glad to discuss the contents of that letter.

Mr. Green: May I ask, then, is it a fact that the first time the cabinet knew anything about the McMahon offer was when these papers were tabled yesterday?

Mr. Howe (Port Arthur): I would be very glad to discuss cabinet secrets some time when I am no longer a privy councillor. A privy councillor is appointed for life, and so the discussion will have to take place in the next world. I have taken an oath, and so has the Leader of the Opposition, that we will not reveal matters discussed in cabinet, and I propose to stand by the oath.

Mr. J. G. Diefenbaker (Prince Albert): Might I ask a question of the Prime Minister? When did the Prime Minister first become aware of this letter, and was that portion of the letter about faults of the Trans-Canada pipe line brought to his attention?

Mr. St. Laurent (Quebec East): No, the faults of the Trans-Canada pipe line were not brought to my attention as being matters reflected upon in any correspondence that had reached any of my colleagues. I did hear some time ago—I cannot say just when—that a confidential letter had been sent to the Minister of Trade and Commerce but, as it was a confidential letter, I did not consider under those conditions that it was a proposal to the government. If anyone writes a confidential letter to a minister he must know it is going to be treated as confidential, and if he wants to make a communication to the government he has to make it in another form than that.

Mr. Drew: Will the Prime Minister not agree that it would be a matter of some importance for the cabinet to know that there had been a firm offer to a member of the government to finance a pipe line across Canada without government commitment and that an individual who has already financed one pipe line in Canada was prepared to put up a $500,000 cash bond for the fulfilment of his undertaking?

Mr. St. Laurent (Quebec East): I would not consider that anything addressed confidentially to any member of the government was a firm offer to the government to do anything at all or that a bond of $500,000 to meet an expenditure of $375 million was anything that had very great significance in proportion to the magnitude of the undertaking.

[Mr. Howe (Port Arthur).]

Mr. Donald M. Fleming (Eglinton): May I ask—

Mr. Speaker: I do not know whether the hon. member for Yorkton wants to continue the subject.

Mr. G. H. Castleden (Yorkton): I do, sir.

Mr. Speaker: Then I think he should be given the chance to proceed.

Mr. Castleden: Since the McMahon interests are apparently out of the picture, I should like to ask the Prime Minister, is it the intention of the government to make money available to Trans-Canada Pipe Lines Limited for the building of the western portion of the line and, if so, will permission so to do be obtained from this house by legislation?

Mr. St. Laurent (Quebec East): Whenever there is a firm decision reached as to the kind of recommendation to be made to parliament, it will be announced to parliament. Nothing of this kind can be implemented without the approval of parliament.

Mr. Fleming: May I ask the Prime Minister who disclosed to him that a confidential letter had been received from the McMahon interests on this subject and when this disclosure was made to the Prime Minister?

Mr. St. Laurent (Quebec East): I cannot say. I have no note of that, because I did not attach any importance to a letter that was not a proposal to the government.

Mr. Fleming: I presume that applies to the time. I asked the Prime Minister who made the disclosure.

Mr. St. Laurent (Quebec East): I am not in a position to tell the hon. gentleman who first made that disclosure. It may be something that I gathered from newspaper reports. I am not sure about that.

Mr. Diefenbaker: That is what the ministers have to depend upon.

Mr. George H. Hees (Broadview): May I ask a question of the Prime Minister? Could the Prime Minister advise the house whether the government is sufficiently united on the question of the pipe line to allow this very important question to be brought before the house early next week for debate?

Mr. St. Laurent (Quebec East): As soon as there is a final decision made, it will be announced to the house, and I can assure the hon. gentleman and all hon. gentlemen that I shall be very glad to be able to make a definite announcement to the house as soon as that is possible. I can assure you that I do not enjoy as much as you do these questions that are constantly being thrown

at us, and I should be very happy to reach a position where they will be no longer looked upon as desirable by those who are asking them now.

Mr. Drew: In view of the fact that the Prime Minister learned from the press about the contents of this letter—

Some hon. Members: Sit down.

Mr. Drew: —may I ask him if he will make inquiries whether there are any other undisclosed offers in the hands of the Minister of Trade and Commerce at this time?

Mr. St. Laurent (Quebec East): No, Mr. Speaker, because I do not consider that any communications made as private and confidential are matters of concern to the government of Canada.

Mr. Drew: Will the Prime Minister not agree that the Minister of Trade and Commerce has shown some facility in obtaining the release of any limitations of that kind as well as other results apparently at the same time?

Mr. St. Laurent (Quebec East): Mr. Speaker, I do not think that is something the hon. gentleman will feel he should have said when he sees it in print in *Hansard*. I think that is a reflection upon one whom the hon. gentleman and I both respect.

Mr. Drew: Mr. Speaker, I have nothing whatever on *Hansard* that I have any reason to question with respect to whether I should have said it. I would indicate to the Prime Minister that if he has read today's paper and found out what has happened in the last 24 hours he will have learned there were other results as well as the decision that the confidential nature of these documents would be withdrawn.

AGRICULTURE

REQUEST FOR STUDY OF GENERAL PROBLEMS BY STANDING COMMITTEE

On the orders of the day:

Mr. G. T. Purdy (Colchester-Hants): Now that the opposition have got rid of some of their gas, may I put a question to the Minister of Agriculture? Has a decision been reached on my request of last year that the committee on agriculture and colonization be given the opportunity of studying the problems of agriculture generally as well as those of the western grain growers?

Mr. Murphy (Lambton West): That was just gas too.

Mr. Purdy: Stronger gas than you have.

Mr. Hodgson: That is gas 12 months old.

Inquiries of the Ministry

Right Hon. J. G. Gardiner (Minister of Agriculture): I will have to take my hon. friend's question as notice and I will give him an answer later.

LABOUR CONDITIONS

RAILWAYS AND NON-OPERATING UNIONS—INQUIRY AS TO MEETING ON MAY 8

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. With reference to the meeting to be held on Tuesday morning between the railway companies and the union representatives may I ask what is to be the basis of this meeting? Is it for the purpose of discussing acceptance of the conciliation board's report or are the railway companies attending with any reservations?

Hon. Milton F. Gregg (Minister of Labour): That will be for the parties themselves to decide if they have not already done so.

FISHERIES

SEIZURE OF CANADIAN VESSELS ON LAKE ERIE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Fisheries. Can the minister give the house any information regarding the seizure of certain Canadian fishing vessels on lake Erie which I understand from a radio broadcast involved some shooting?

Hon. James Sinclair (Minister of Fisheries): My department has had no direct word on the matter because the administration of fisheries in Ontario is under the jurisdiction of the provincial government. However, this type of arrest is quite common on both coasts where fishermen, by accident or by design, cross the boundary line in territorial waters into the other nation's fishing grounds. The usual procedure is for the fisherman to come before the court of the country and have his case heard.

As far as shooting is concerned, all our Canadian patrol boats carry a gun in the bow and occasionally fire a shot by way of a warning across the bow of a fishing vessel they intend to arrest. I understand that was the nature of the shot fired in this case.

HOUSE OF COMMONS

MR. SPEAKER—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on a question of privilege, I am sure the house will agree with

me that it is too bad this is not tomorrow instead of today. I know of no better way in which to celebrate the 5th of May than by a display of interest in procedure such as we have had this morning. In any event, I am sure I have the unanimous endorsation of the house at this moment in wishing Your Honour a very happy birthday tomorrow.

Mr. Speaker: As the hon. member says, no doubt it was to celebrate my birthday that hon. members made me go through an exercise in procedure this morning. I want to tell him that I appreciate the whole incident very much, together with his wishes, and I want to thank all hon. members.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF PUBLIC WORKS

General—
390. To provide for advance planning of projects including acquisition of sites, $1,500,000.

The Chairman: We have reached resolution No. 390. Hon. members will find this vote on page 64 of the blue book of estimates and the details on page 492.

Mr. Hosking: Mr. Chairman, I believe I can probably comment on this item about the purchase of a site in the city of Guelph. I understand the government has decided that we need further accommodation for the federal building in Guelph and that plans were made to enlarge the post office building. This would mean that the officials of the customs branch, the Department of Veterans Affairs and Central Mortgage and Housing Corporation would be congregated in the present post office or the new addition.

At the rear of the post office there is a considerable parking lot on which, during the seasons when the mail is not too heavy, some 30 to 40 automobiles of the employees are parked. Should there be an extension to the present building making use of the parking lot it would result in great inconvenience to people who shop in the city of Guelph. I should like to take this opportunity to convey to the minister the appreciation of the mayor, the board of trade, the planning commission and the parking authority for having his officials go to Guelph to meet the officials of the city and discuss the problem that would arise if it were decided to extend the present post office. They appreciated very much the opportunity of explaining to the minister's officials that they are planning to spend some $165,000 in the city of Guelph to remove existing buildings very close to the government parking lot in order to create a parking area. They have asked me to thank the minister for meeting with them and for arriving at a decision which has given them reasonable assurance that the parking space will not be used for a building site. When the new federal building is built I hope that a suitable location will be found which will be satisfactory for the job the building has to do.

[Mr. Knowles.]

Mr. Diefenbaker: I want to follow the suggestion made by the hon. member for Digby-Annapolis-Kings on the last occasion these estimates were before the committee. I had hoped that the Prime Minister would be here but I realize that he cannot be here on all occasions. However, this is one matter during the discussion of which I should have liked to see him present.

Mr. Winters: I will tell him about it.

Mr. Diefenbaker: In any event, the matter can be brought to his attention. I feel that in what I am about to say some support might be expected to be forthcoming from the Prime Minister. I refer to the plans that have been made, as reported in the press, to remove and destroy the old Supreme Court of Canada building.

Mr. Winters: You are out of order.

The Chairman: Order. Surely this discussion would not come under this particular item of the estimates of the Department of Public Works.

Mr. Diefenbaker: Mr. Chairman, I stayed around here the other day and it came up under this item. I hope that I am not transgressing. I waited here for three hours for a chance to deal with this matter and I walked out momentarily. This is a matter that affects all the lawyers within our country and is one that I think deserves to be discussed. But, Mr. Chairman, if you say that it cannot be discussed, that is final. However, I point out that I was here the other day and that the matter came up only at ten minutes to six. I am asking the consideration of the committee in order that I may deal with it for a few minutes.

Mr. Winters: Mr. Chairman, I would think the hon. member would have to have the unanimous consent of the committee because this discussion is clearly out of order on this item.

The Chairman: Has the hon. member unanimous consent to deal with this matter?

Some hon. Members: Agreed.

Mr. Herridge: Mr. Chairman, I would like to point out that two or three other members wanted to revert to preceding items in the previous discussion of these estimates and

unanimous consent was not given to them. On the basis of fairness, I object to unanimous consent being given.

Mr. Byrne: So do I.

Mr. Hodgson: Mr. Chairman, I disagree with the hon. member's statement. I have been here during every minute of the discussion of the estimates and my recollection is that two hon. members reverted to certain questions and it was agreed that they should do so. No one was refused.

Mr. Brown (Essex West): What items were they?

Mr. Campbell: The minister has not his officials before him but I wonder whether he could give me any information as to what progress is being made on the advance planning of a new post office building in North Battleford and whether there is any possibility of a start being made on the building this year? The minister can answer that question later if he so desires.

Mr. Winters: All I can say, Mr. Chairman, —and all I could say if the officials were here—is that the matter is in the planning stage. Until we get votes of parliament I am not in a position to go farther than that. This is a planning vote and that is one of the projects we have in the planning stage.

Mr. Diefenbaker: Mr. Chairman, are we on item 390?

The Chairman: We are on item 390.

Mr. Diefenbaker: Then I ask you to look at the wording of item 390 which is as follows:

> To provide for advance planning of projects including acquisition of sites.

If the question of where the supreme court building should be placed in advance planning does not come within that item, then I am very much surprised.

Mr. Winters: There is a supreme court building now.

Mr. Diefenbaker: I raise this question, Mr. Chairman. If you hold against me, then I ask the usual consideration.

The Chairman: I am, of course, in some difficulty in that I have before me a resolution in the following terms: Resolved that a sum not exceeding $1,500,000, less amounts voted in interim supply, be granted to Her Majesty for public works, general, to provide for advance planning of projects including acquisition of sites. In the details in the blue book at page 492 there is little, if any, additional information. The minister has indicated that an expenditure for the supreme court building is not included in this vote. I therefore do not see how the hon. member for Prince Albert could discuss that matter under this vote. I presume that there were other occasions on which the matter could have been discussed. For instance, I am quite certain that it could have been discussed, perhaps, under the first item of the departmental estimates. I regret very much if, by reason of our rules, the hon. member is prevented from discussing this question at this time. For that reason I transmitted to the committee a request for unanimous consent, but that consent was refused. I therefore feel that my hands are tied.

Mr. Johnston (Bow River): I should like to ask a question of the minister under this item which is to provide for advance planning of projects including acquisition of sites. Can the minister tell the committee what advance planning has been considered in connection with the new civic centre in Banff and also what has been considered in the matter of choosing a site? I know representations have been made to the government, probably by political parties. But I should like the minister to state what planning has been done, what type of structure is proposed and whether any consideration has been given to the choosing of a site.

Mr. Winters: No; not under the estimates of this department. Planning for a project of that nature, if it is to be done, would more appropriately come under the jurisdiction of my colleague who is responsible for the administration of national parks. We have done no planning under this vote.

Mr. Johnston (Bow River): If further discussions take place with regard to the consideration of a civic centre and if as a result the Department of Public Works will be required to go ahead and carry out the construction, may I ask whether the Minister of Public Works would be advised before the final decision is made, so that he could use his good judgment in making decisions?

Mr. Winters: I presume so, Mr. Chairman; yes.

Mr. Johnston (Bow River): You say you presume so. I think the matter is of a little bit more importance than that. I think it is of sufficient importance that the minister should not just pass on a presumption on it. Maybe the minister can assure the committee that that would be so.

Mr. Winters: No; I cannot do that. That matter is within the jurisdiction of my colleague. If he wants my advice, I should be glad to give it to him. But it is perfectly and entirely within his competence to make a decision if he chooses to do so.

Mr. Wylie: I have one question that I should like to ask the minister. It is not in connection with the national parks, so I am sure he will be able to answer it without referring it to another minister. The city of Medicine Hat has grown so much within the last eight years that the public building we have there—I refer to the post office—is entirely inadequate to handle the mail situation today. I am wondering whether the minister has given consideration to the acquisition of a new site for the post office and just what is being done in advance planning for a project of that kind.

The Chairman: Order. The hon. member for Medicine Hat will recall that I interrupted another hon. member a few moments ago. Under these specific votes, I feel that we must deal with specific matters. Although this particular item reads, "to provide for advance planning", I do not think it opens to the members of the committee the opportunity to discuss their particular pet projects in all parts of Canada. If that were the case, it would lead to a debate which would be far more extensive than should take place under an item of this kind. Under this item, I really feel that we should deal with the particular subjects covered. I would ask the hon. member if he would co-operate with me in that respect.

Mr. Johnston (Bow River): May I ask you to define what is meant by advance planning of projects including the acquisition of sites? Now, certainly, advance planning—

The Chairman: Order. It is, of course, not for me to interpret or try to interpret these votes in advance. But I might perhaps suggest this to the hon. member, that it is within his competence to ask the minister what is covered by this vote.

Mr. Wylie: Perhaps I could have brought up this question under item 360. However, there was no provision made for a post office in Medicine Hat, and I feel that some consideration should be given to a building there. I think that calls for advance planning. What I want to know now is whether or not the Minister of Public Works or the government is giving consideration to a building in Medicine Hat. I consider that advance planning, and I think that is what the item is for.

Mr. Winters: I will be glad to keep in mind what the hon. member has said. This vote, as hon. members will recall, was introduced into the Department of Public Works about three years ago when I became responsible for this department. Formerly we could not consider the preparation of plans or the acquisition of sites unless we had a specific item in the estimates, and that meant that each year we carried over sums of money that we were not able to spend, and we had revote after revote. We, therefore, asked parliament to give us an amount of money, which in this case is a million and a half dollars, to enable us to do some preliminary planning and incur some expenditures against planning and acquiring sites, so that when we did get to the stage of coming forward with a project and putting an item in the estimates we would be in a better position to spend it. It seemed to me this was an opportunity to do some orderly planning.

Mr. Quelch: Can the minister tell us any sites he has in view at the present time?

Mr. Winters: No, I cannot say that.

Mr. Wylie: That was my point; in the city of Medicine Hat we have to have a new site and a new public building, and I was wondering what was being done by the minister in that respect. It was for that reason I asked the minister the question, which I think is a fair one under item 390.

The Chairman: I have no wish, of course, to limit debate but hon. members will realize that if, under wording such as we find in this item, hon. members had the privilege of mentioning a project or several projects in every riding in Canada, we would arrive at an impossible result. It seems to me that these general remarks, and remarks to the effect that members are disappointed that a particular project is not proceeding, are the type of remarks that might be made on the first item in connection with policy. I think most hon. members agree that would contribute to more orderly debate.

Mr. Diefenbaker: Mr. Chairman, now that we have this item I may say that I am opposed to these general items unless we have particulars. I wanted to deal with the subject of planning and expenditure in connection with a parking space and the destruction of the old supreme court. Now that the minister has blocked it we shall start to try to find out where these projects are.

Mr. Winters: On a question of privilege; the minister did not block it, the committee blocked it.

Mr. Diefenbaker: Oh, yes he did. We will get along well if that is the minister's attitude.

Mr. Winters: Let us have a clear understanding on this. Is the hon. member threatening us or doing something of that nature?

Mr. Diefenbaker: I am just saying we are going to get information for a change.

Mr. Winters: If we are going to be threatened and bulldozed, parliament is not going to do the business of the country very well.

Mr. Diefenbaker: It is hard to get information from ministers.

Mr. Winters: Not from me.

Mr. Diefenbaker: Where is the million and a half going to be spent? What are the projects in mind? Handing the minister a million and a half to play around with, without anything to justify it—

Mr. Winters: Well, express your views. You have had two years to do it. This is the third year this item has been in the estimates.

Mr. Diefenbaker: Let us have the particulars, Mr. Chairman.

The Chairman: Before too much heat is generated, may I suggest to the hon. member that he should address the chair rather than speak directly across the chamber to the minister. I am sure we would have a more orderly debate.

Mr. Diefenbaker: The minister should let us hear about some of these projects that he has in mind for the million and a half dollars. There was no objection raised, Mr. Chairman, when the hon. member for Wellington South dealt with one of these projects. What are these projects the minister has in mind? Has he made any projections of them? Let us have some of the particulars as to how this is to be made up and why the amount has been fixed at one and a half million?

Mr. Knowles: Pursuing the particular point and pursuing the same desire to get information, can the minister tell us how last year's vote was spent? According to the details, $317,452 was actually spent up to December 1, 1955; surely he could tell us how that money was spent. Then, he will note that the estimated amount for the balance of the year was $932,548. I realize that at the time the blue-book was printed that money had not been spent, but could he tell us now whether that $932,548 was spent in whole or in part and how it was spent? He could tell us, in the usual forthright manner in which he likes to hand out information, how this money was spent last year and then that would give us some guide as to the kind of expenditure this money is for and perhaps then we could get some intelligent answers to our questions as to what this year's vote is to be spent upon.

Mr. Winters: I cannot, of course, tell what this year's vote will be spent upon because I do not know. I am asking parliament to vote a million and a half dollars to enable me to plan projects as they come up for consideration. If I were in a position to know exactly where it was going to be spent, I could put specific votes in the estimates and I would not need to ask for this pool arrangement. But it may be that a project will come forward in any community across Canada upon which we would like to do some advance planning and perhaps acquire sites so that when the plans are prepared we will be ready to develop the structure.

I am not, therefore, in a position to detail what it is for, and the very nature of the vote indicates that it is planning as required. It has always met with the approval of parliament. As a matter of fact, I recall the first time it was put in the estimates it was rather welcomed as being a step in the direction of orderly estimating, and I think it has helped us to do that. If hon. members are in disagreement with that, then of course they are at liberty to express their views. I would be glad to get a breakdown of how the amount was spent last year.

Mr. Quelch: It was suggested a few moments ago by the previous chairman that it would be quite in order to ask the minister what projects he had in view or what sites. I asked him that question and he said he had not any sites in view. That being the case, surely it must be in order for members to suggest to the minister what projects might be carried out under this item.

Mr. Winters: They are quite in order to suggest what they think should come under this item by way of planning and the acquisition of sites.

Mr. Quelch: The minister would not object to that.

Mr. Winters: No.

Mr. Cardiff: I do not want to take the minister off the hook, particularly, but we had a certain amount of work done in Bayfield last year for which there was no item in the estimates. I think that is perhaps where some of this money goes, is it not?

Mr. Winters: If it is a matter of planning and acquiring a site, if we acquired a site under that vote, then that is the case. It gives us the opportunity of doing this so we can deal more expeditiously with the actual carrying out of the work. I hope this commends itself to hon. members as a good approach to the matter of estimating and doing work, because I personally think it is.

Mr. Cardiff: I think that the work that was done in Bayfield certainly was not in the estimates and it had to be paid out of the

same fund. I just suggest to the minister that we have another project at Port Albert which needs some attention. The project is at the mouth of the natural harbour at Port Albert which is a fine place for boats to slip into out of the storms that often occur on lake Huron. All that is needed is a little dredging at the mouth of the river, at the natural harbour there. At the present time I do not think boats can get in and out of there because of a sandbar.

Mr. Pearkes: May I ask the minister if this vote merely covers the planning of design and the acquisition of land or whether it includes any form of economic planning? It seems to me that many decisions are made by this department based purely upon the engineering requirements or the engineering benefits whereas decisions frequently have to be made as between two suggested projects based very largely upon the economic value of those two places.

I would like to refer to an instance where I understand the department is carrying out an investigation which I presume comes under this amount. My example refers to the relative value of a structure in two points. I have raised the question and the boards of trade on the south coast of Vancouver island have asked for greater facilities in connection with harbours. The last report I had from the department was that they were investigating the advisability of constructing additional harbour facilities either at San Juan or at Sooke. It was not a question of both of these places being developed; it was a question of one or the other being developed. No doubt that is an investigation which is being carried out under this item.

I would like the minister to tell us how far he has progressed with that investigation. I would particularly like to know whether the economic side of these problems is investigated by his department under this item.

Mr. Winters: No, Mr. Chairman, this item just covers the architectural or engineering planning, the actual preparation of plans and specifications on an advanced basis and the acquisition of sites.

Mr. Pearkes: In a case such as I have raised, is the decision made as between the relative values of the two harbours or is it based solely upon the engineering advantages? Where is the economic side discussed? Has the department any economics branch? Could the minister explain where that is covered?

Mr. Winters: We have a small economic branch in the department, Mr. Chairman, and the vote is through the general administrative item. These things are not determined solely on the basis of the engineering merits but are considered in the light of economic circumstances as well.

The hon. member for Winnipeg North Centre asked how much of last year's vote was actually spent. The answer is that on building construction projects we spent $234,738.07; on engineering projects we spent $233,413.31, or a total of $468,151.38.

Mr. Knowles: Mr. Chairman, on that same question, could the minister not give a greater breakdown than that?

Mr. Winters: Yes, how much do you want?

Mr. Diefenbaker: That is almost as good as the pipe line answers.

Mr. Winters: I could give it to you by provinces under the two headings, building construction and engineering.

Mr. Knowles: Mr. Chairman, could the minister give it by projects? We would like to have some idea as to what kind of thing this money is spent on.

Mr. Winters: It is quite a long list, Mr. Chairman. I wonder if the hon. member would care to have it made a return, in which case I could table it?

Mr. Knowles: Give us some examples and perhaps when we get the picture we can decide on that.

Mr. Diefenbaker: Let us have the details so we can find out.

Mr. Knowles: I am making two suggestions. The first suggestion is that the minister give us some examples so that we can get the picture. I also suggest that he table the document the next time we are in the house.

Mr. Winters: I shall be very glad to do so, Mr. Chairman. We did some work at Burin, Newfoundland; Curling, Newfoundland; Change Islands, Newfoundland; Deer Lake, Newfoundland; and at Joe Batts Arm, Newfoundland. There are several others in Newfoundland and perhaps I could move on. In Quebec, at St. Joseph d'Alma, St. Jovite, Seven Islands, Shawinigan Falls and so forth, and there were a number in Ottawa. There was one at Batawa, Ontario; Brampton, Ontario; Don Mills, Ontario; Fort William, Ontario; and Grimsby, Ontario. There is a long list for Ontario.

In Manitoba we have a survey at Churchill, and we have done some work at Winnipeg; also at Broadview, Saskatchewan; Davidson, Saskatchewan; Estevan, Saskatchewan, and so on.

Mr. Knowles: Just so we can get a picture of the situation, could the minister tell us what work was done at one of the last places he mentioned, Davidson, Saskatchewan?

Mr. Winters: We acquired a site for a post office building from the Monarch Lumbering Company in the amount of $3,000.

Mr. Brooks: Very interesting.

Mr. Winters: I think it is interesting.

Mr. Knowles: I am trying to get this thing sorted out, Mr. Chairman. How did it happen that you did that under this vote rather than under one of the specific votes? I am not complaining about it but I think we should have a picture as to how the vote operates.

Mr. Winters: Quite right. It developed during the course of the year. There was no specific vote in the estimates under Davidson, Saskatchewan. The Post Office Department wrote to us that they needed accommodation at Davidson, Saskatchewan. We looked into the project and found out that in our opinion accommodation was required and that to build a project we would need a site. So we acquired the site, and now when we are ready with our plans we will have the site and will be able to proceed with our building at Davidson, Saskatchewan.

Mr. Knowles: Perhaps the minister wants to go on but I wonder if he would permit me to ask a question.

Mr. Winters: As you wish.

Mr. Knowles: Could you tell us by looking over the list what are the largest single items on it?

Mr. Winters: I have one at Estevan, Saskatchewan, for $12,000; one at North Battleford, $15,000; and then usually small amounts. There is one at Stephenville Crossing, Newfoundland, $5,000. At Fort William, Ontario, there is a site for improved building facilities, $50,000, but normally they are relatively small amounts. This is an accumulation of small amounts.

Mr. Wylie: Mr. Chairman, I have two questions which I should like to ask the minister and the first one is this. Is any part of this vote being used this year for the advance planning and the acquisition of a new site for the new post office or public building we should have in Medicine Hat? My second question is this. Was any part of the vote last year used for that purpose?

Mr. Winters: The answer to the last question is no, and the answer to the first part of the question, whether it will be, is that I cannot tell as we have no projects before us at the moment.

Mr. Pearkes: What money was spent on Vancouver island last year? There were a lot of promises made and I should like to know how they have been fulfilled.

Mr. Knowles: There will be a lot more next year.

Mr. Winters: The only planning we did last year under this vote was survey work for a site for a post office at Campbell River, British Columbia.

Mr. Pearkes: The minister paid a visit to Vancouver island and carried out a personal investigation of certain wharves at Sidney. He made definite promises in my hearing as to how that harbour might be developed. Has any action been taken?

Mr. Winters: Action is being taken under another vote.

Mr. Jones: I think the question I have to put to the minister comes under this vote. Over a year ago the Minister of National Revenue announced that an income tax office would be opened at Penticton. I asked the Department of Public Works why this office had not been opened as yet and they advise that they are unable to get suitable premises on a rental basis, it being intended to build a public building in about four years. The income tax office has not yet been opened and neither have they acquired suitable premises. I was wondering if the minister could not advance the building of the public building and perhaps take out of this vote sufficient to purchase the land immediately.

Mr. Winters: The project at Penticton is one on which we are endeavouring to do some planning.

Mr. Diefenbaker: The minister has not tabled or put on *Hansard* the list of projects in which we were interested. Before the item passes could he say what the Ottawa items are?

Mr. Winters: What the items were for last year?

Mr. Diefenbaker: Yes, and for the future.

Mr. Winters: The hon. member heard my explanation about the future. I cannot tell what the projects will be until they come before us for planning.

Last year in Ottawa there were architects' fees for the construction of a new public works testing laboratory on the Bowesville road, $10,000. Architects' fees for the construction of an addition to the science service laboratory, $38,525. Appraisal fees for a site for a new postal station in the west end, $282. Survey work re site for national gallery, $125.

Mr. Diefenbaker: Would the minister state who the architects were?

Mr. Winters: In the case of the public works testing laboratory they were Messrs. Noffke and Ingram, and in the case of the science service laboratory, Messrs. Gilleland and Strutt.

Mr. Hodgson: Would the building for the Royal Canadian Mounted Police not come under that?

Mr. Winters: No, the planning for that was done before this vote was established.

Mr. Johnston (Bow River): Can the minister tell whether any money was spent from last year's appropriation in connection with the planning of the penitentiaries to be built in western Canada and has consideration been given to the possibility of erecting one at a most favourable site in Drumheller?

Mr. Winters: Penitentiaries have not to date been under the Department of Public Works. That would come under the penitentiaries branch of the Department of Justice.

Mr. Johnston (Bow River): May I ask the minister whether in the process of planning for these projects a considerable amount of work must be undertaken by other departments before a matter would come to public works? If that is so, probably some of these matters which the minister has in mind would have been developed quite substantially before he knew anything about them. Surely if there is a project such as the construction of a penitentiary in western Canada, it would be before another department, the Department of Justice or some other department, and be quite far advanced before they would consult the Department of Public Works.

Mr. Hamilton (Notre Dame de Grace): Could the minister give us the breakdown of this current item under the headings of advance planning and the acquisition of sites?

Mr. Winters: No, I have no breakdown of that. This is a pool item and we try to make the best use we can.

Mr. Hamilton (Notre Dame de Grace): I thought the minister used the term "fool". At times it seems almost like a fool item and I was not quite sure whether the minister had used that word.

Mr. Winters: You may be quite sure I used the other one.

Mr. Hamilton (Notre Dame de Grace): If the minister cannot give that breakdown perhaps he could give us the distribution of amounts according to provinces for last year.

[Mr. Winters.]

Mr. Winters: The distribution under the two headings was as follows:

	Building Construction	Engineering
Newfoundland	$ 9,054.20	$ 11,429.48
Nova Scotia	—	18,885.95
Prince Edward Island	—	7,199.94
New Brunswick	—	9,891.70
Quebec	7,469.64	26,269.16
Ottawa	48,970.83	—
Ontario	113,495.50	28,424.71
Manitoba	2,809.00	315.00
Saskatchewan	32,113.60	—
Alberta and Northwest Territories	20,625.30	112,762.42
British Columbia and Yukon	200.00	18,234.95
	$234.738.07	$233,413.31

Mr. Hamilton (Notre Dame de Grace): I thank the minister for that information with respect to last year. Would he give us some indication of the proposed or expected distribution of this provincially in the current amount of $1,500,000?

Mr. Winters: No, this is an as-required vote, and I should think that generally speaking it would be broken down on much the same basis as the populations between provinces.

Mr. Hamilton (Notre Dame de Grace): If the minister can inform the house, in what manner are the actual expenditures out of this fund authorized? Are they authorized by order of the governor in council and passed as a minute, and examined by the cabinet?

Mr. Winters: That is subject to the Financial Administration Act and the government contract regulations. If it is in the amount that requires to go before the treasury board and the governor in council, of course, it does. The same regulations apply to expenditure here as in any other vote of parliament.

Mr. Hamilton (Notre Dame de Grace): That is the point I had in mind. The same regulations apply here as to any other vote of parliament. We have spent the better part of one hour attempting to get some detailed information from the minister regarding a gross amount of $1,500,000. The complete, total and absolute amount of information we have been able to procure is that $1,500,000 is to be voted. There has been no indication that the minister has any idea as to the distribution of this between advance planning and acquisition of sites, which are the two specific reasons given for it. There is no indication, nor has the minister any information, as to the provincial distribution of this amount. By the minister's own statements and admissions it is absolutely clear that this amount is completely and entirely available and unencumbered in every sense of the word.

Now let us turn to the control held by parliament or by the cabinet over the expenditure of this amount. Since it is being dealt with in exactly the same way as other government expenditures are dealt with, and we know it is not necessary for every government expenditure, or even the majority of government expenditures, to have the personal examination of the cabinet, we can only come to the conclusion that we have given the Minister of Public Works a nice little pot of $1,500,000 to do with as he wills as regards its allocation to various points in Canada or the nature of the expenditures, provided that they come within the classification of advance planning and acquisition of sites.

Mr. Fleming: The year before the election.

Mr. Hamilton (Notre Dame de Grace): As one of my colleagues points out, perhaps in advance of the conclusion I was going to come to, and I quote his words, "The year before an election."

Mr. Winters: It has been in every year. You know that.

Mr. Hamilton (Notre Dame de Grace): Yes, for the three years before the election. The going is getting rougher for this government all the time.

Mr. Winters: You will see.

Mr. Hamilton (Notre Dame de Grace): Perhaps it is necessary to have some advance planning for the elections.

Mr. Winters: Apparently you do not do enough advance planning for yours.

Mr. Hamilton (Notre Dame de Grace): I think it has been the experience of all of us who have followed an operation of the magnitude of this government, or even the operation of a municipal council, to know that on occasion—and the minister will agree with me on this—sites may be acquired and eventually, for whatever reason, not used, and perhaps even resold. Planning may be done which eventually becomes a futility because it is decided not to go ahead with the project. Of course, you may have other things too, such as a rather famous harbour in Canada where the planning is done after rather than before the event, and we pay for it rather dearly. However, just think for a moment—

An hon. Member: Why don't you?

Mr. Hamilton (Notre Dame de Grace): To answer the interjection, I have been thinking for a moment, which is why I am making these remarks. The trouble is that too many of the gentlemen on the other side are not doing their thinking. The Minister of Trade and Commerce made a reference this morning about a Conservative horse that did not run. I was just thinking I would rather be a Conservative horse than a Liberal donkey.

Mr. Winters: That one did not get a laugh.

Mr. Hamilton (Notre Dame de Grace): I am not attempting to speak in terms of getting a laugh. I am attempting to bring some intelligence to bear on a problem that the minister does not seem—

Mr. Winters: Then let us get started.

Mr. Hamilton (Notre Dame de Grace): Be that as it may, just think how convenient it is for a public works department to have this nice round figure of $1½ million that can be spent anywhere in Canada on any one of a tremendous range of projects with any one of the 15 million people in this country, at the discretion of the Minister of Public Works and those he directs. This is not an expenditure which parliament is in a position to control, except voting the total amount of $1½ million. It is not an expenditure in regard to which we are in any position to see how it is being expended, but I think we can be reasonably certain that it could be used—and this is the point I am making—it could be used for blatantly political purposes, and the only defence we have against that—and let us admit that it is a poor defence—is the trust and confidence, which may be held by some people and may not be held by others, in the discretion of the minister himself.

May I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, to summarize what I was saying at one o'clock in case it may not be fresh in the minister's memory, we have here an amount of $1,500,000 for which no accounting has been made and no adequate explanation of the details given to the committee. In any one case an amount up to $15,000 may be spent at the discretion of the minister. We are approaching a year which by many is considered to be an election year. Some people would consider an item of this sort which can be spent where the government is having a little trouble, where they want to sweeten up certain localities, where they want to make a show to the people of the so-called munificence of the government, as

little more than a political slush fund. I for one object strenuously to the government including in the estimates for this year anything that might be a political slush fund under the guise of a proper expenditure by the government.

Mr. Holowach: Mr. Chairman, I know the minister is anxious to utter the sigh of relief that will come when his estimates are completed and I wish to accommodate him by being very brief in my remarks. I cannot let this item go by without once again drawing the attention of the minister and his officials to the urgent need of buildings in Edmonton East, particularly in the town of Beverly in order to accommodate a post office. I believe that part of this appropriation would be justly spent for the acquisition of a site and the planning of such a project in that area. I do not know of any other place of comparable size or importance that has had as little public investment by the government as Edmonton, and particularly Edmonton East. It is true that a new federal building is being constructed which is coming along very nicely and we are grateful for that, but we should remember that this project has come about after some 15 years of making strong representations to get it.

On several occasions in the past I have endeavoured to draw the attention of the minister to the urgency for a public building in the town of Beverly and on each occasion I have not been very successful. At the present time the post office in that town is nothing more than a small wooden shack which is disgracefully inadequate. I would appreciate it very much if the minister and his officials would investigate the possibility of erecting a suitable public building in that town. I have communicated with the Post Office Department and they of course give the explanation that the decision has to be made by the Department of Public Works. The minister will probably answer me by saying that the recommendation has to come from the Post Office Department. It seems to me that is classic buckpassing and is not fair at all to the people in that region.

There is another point I wish to make. In the city of Edmonton real estate values are rising constantly. I think it would be good business and good economics for us to invest in sites and make plans in order to provide for the needs of the community. Recently I received a submission from the Edmonton businessmen's association which drew my attention to the fact that in Edmonton East particularly most of the post office services are located in grocery stores and other retail shops. In a country such as Canada I think that also is disgraceful, especially in urban areas. All I ask at this time is that the minister assure me that he will investigate and examine the conditions there with a view to using some of this money in order to acquire sites for such projects.

Mr. Hodgson: Mr. Chairman, I was accused this morning of holding up these estimates. That is a misstatement. I think the minister will agree with me that last Friday we would have completed the estimates of this department in two or three minutes if it had not been for a member of his own party, the hon. member for Wellington South, who objected to anything of that nature being done. All he had to say was what he said this morning which was nothing more than a travelogue of Wellington county in order to get his name on *Hansard*.

Mr. Harris: That is not unusual.

Mr. Hodgson: As far as this item is concerned, I hope it will cover post office sites in my riding.

Mr. Churchill: When discussing this item this morning I think the minister said that when it was first put in the estimates three years ago there was general approval. That may have been so. We were interested in seeing that some advance planning was going to be undertaken by the Department of Public Works. But I was disappointed today to find that the minister was so obviously reluctant to disclose what had been done even last year with regard to the money expended under this item and was also not prepared to give us any indication as to how the money would be used in the coming year. That being so, some doubt arises as to the purpose of the item. In other sections of his estimates there are large items which are not specifically pinned down to one particular matter. I hope the minister is not going to get into the habit of the Department of National Defence and set up his estimates in the form of a revolving fund which will not be changed from year to year.

With regard to this particular item the minister said—he can correct me if I have made an incorrect note—in response to a question as to what would happen in the coming year with respect to the distribution of the $1,500,000 available, that he supposed that the division of the money would bear some relation to the population of the various provinces. May I point out that there was no such disposition of the money last year because, according to the figures that the minister read, the province of Manitoba seems to have been relegated to a position almost off his list. We were blacklisted, having an

expenditure of only $2,000 for public buildings and $315 for engineering. Can the minister inform us just what was done in Manitoba last year and why it was placed in such an inferior position compared with the rest of Canada? Second, in this planning activity and acquisition of sites what does the department do when it acquires sites that are not subsequently used for the original purpose for which they were procured? Some of the sites that the department obtains possession of are secured by means of expropriation of property; but if the site is not used for the purpose originally intended, is that expropriated property returned to the original owner? I put those two questions before the minister.

Mr. Winters: I will answer those two questions, Mr. Chairman, and I will deal with the second one first, as to what we do with property if we expropriate it and then do not subsequently use it. That is something that happens very seldom, indeed, but it happened in one instance in Winnipeg. I am sure that is the instance that my hon. friend has in mind. We have declared the property to be surplus and have turned it over to Crown Assets Disposal Corporation. That crown company reports to the Minister of Trade and Commerce and it is his responsibility to dispose of the property. He has that matter in hand now.

With regard to the other question, namely as to why Manitoba was discriminated against, may I say I do not think there is any question of that. The results are the best answer. It is not how much planning we do that determines always what results will be obtained. It is the actual structures that are the pay-off, if I may use that word. I know he realizes that Manitoba has been far from discriminated against.

Mr. Smith (Battle River-Camrose): Before discussion on the minister's estimates is concluded, I should like to point out that in my riding we will soon have the pleasure of having a lovely public building in the city of Camrose. Since this particular item deals with planning I should like to suggest to the minister that he direct the members of his department to do something in terms of the actual planning and construction of a recommended post office building in the town of Vermilion. I believe this matter has been before the Post Office Department for a number of years. I do not know whether or not it has reached the minister's own particular department. I sincerely hope that those folks around the town of Vermilion will, within the next few years, be able to have the privilege of enjoying the use of a modern post office.

The Deputy Chairman: Shall the resolution carry?

Mr. Pallett: Earlier today the chairman indicated that it was perhaps not quite proper to discuss the old supreme court building for which many people in the legal profession have a liking almost similar to that of those in other professions for the things that are important to them. You might almost compare it with the liking that some people have for a little piece of metal they wear which is supposed to have come from a bridge that has been sold three or four times.

Mr. Winters: I did not hear that last sentence. I should like to hear it.

Mr. Pallett: I said that the liking that people in the legal profession have for that old supreme court building might be almost compared with that which another profession has for a ring made from a little piece of metal that is supposed to have come from a bridge that has been sold three or four times. I wonder whether the minister might indicate to the committee under which of the estimates that are before us—and some have been passed—provision has been made for any discussion of this matter.

Mr. Winters: It could have been discussed under the general administration item 344, or under the general item of the building construction branch which is item 350; or it might have been discussed under Ottawa buildings, which is item 356. There are three items there under which this particular matter could have been discussed.

Mr. Pallett: I have examined the particulars of those items and I see nothing with particular reference to this matter. That is why I raised the point at this time.

Mr. Winters: The hon. member is aware of the fact that we had on the first item of these estimates broad and general discussion in which we covered the field fairly completely.

Mr. Pallett: I am fully aware of that fact. But I thought it was in the interests of good debate sometimes to withhold your comments until you came to a particular item. In many instances I believe it was for that reason that some matters were not discussed earlier. In addition to that, I might suggest that too much was not indicated that this action was going to be taken when the first item was actually before us. The information came to hand after that time.

Mr. Winters: What is that?

Mr. Pallett: There was not too much general knowledge that this action was going

to be taken about the supreme court building when we were at the first item.

Mr. Winters: That is not correct.

Mr. Pallett: It may have been within the minister's knowledge.

Mr. Winters: There were several public statements made on it some considerable time ago.

The Deputy Chairman: At this point perhaps I might interpose the observation that there seems to be on the part of some hon. members a desire to discuss the possible demolition of an existing building in Ottawa, namely the old supreme court building. Personally, I cannot see how the demolition of an existing building could come under item 390 which is "to provide for advance planning of projects including acquisition of sites". Unless the minister or somebody with factual knowledge stated to the committee that it was proposed to use moneys under this vote for the purpose of demolition of the old supreme court building,—and I say this with some regret—I am afraid that the committee would agree with me when I say that discussion could not come under item 390.

Mr. Churchill: Would it be fair to ask the minister whether, under this planning section, he is planning to acquire a site for a parking lot on the area on which the supreme court building now stands?

Mr. Winters: No, sir; we are not.

Mr. Regier: On April 20 last I asked the minister why item No. 364 could not be left until the time of the supplementary estimates with which we are annually faced at the close of the fiscal year. His reply at that time was that the supplementary estimates were in the course of preparation now. I do not think he quite understood the point I was after at the time. I realize full well that the supplementary estimates with which we shall be faced before we go home from this session are in the course of preparation and possibly are almost completed now. However, in each and every year before the close of the fiscal year—almost within hours of it—I understand that this House of Commons is faced with another or second list of supplementary estimates. Some doubt has been raised as to the advisability of granting to the minister a blank cheque for $1,500,000 with which to do as he may deem necessary during the course of the coming year. However, I should like to point out that item 364 was of a similar nature and asked for $900,000. Item 389 was of a similar nature again, and asked for the sum of $800,000. We have item 390 which is now before us and which asks for $1,500,000. Item 391 is another similar item calling for $750,000 and item 392 calls for $650,000. That is a grand total of some $4,600,000. I do not for a moment wish to have the minister's hands tied so that during the year he is unable to do what it is necessary for him to do in order to protect the public interest. However, last year at the end of March in supplementary estimates he asked for an amount in excess of $4 million. I hope the minister can give a further reply in addition to what he gave me the other day with regard to why not more of these items could be left until the last week in March when the house has, I believe, always been most reasonable and, upon satisfactory explanation, has never yet failed to vote the money in emergency funds that he found it necessary to ask for at that time. I am sure the minister misunderstood me last time, and therefore I am unwilling to let this item pass before I receive an answer as to why more of these items could not well be left to the supplementary estimates.

Mr. Winters: I presume the hon. member is referring to what are known as the further supplementary estimates. That is a clean-up operation at the end of the fiscal year to take care of expenditures in the year behind rather than the year ahead. This item seeks parliamentary authority to spend money in the current fiscal year rather than a cleanup in respect to the past fiscal year. That is why we are asking this amount now to enable us to plan in this present fiscal year for projects we will wish to undertake in some future year.

Mr. Regier: Mr. Chairman, I do not feel very happy about that explanation. After all, it is only reasonable, when a daughter of mine goes out for the evening and says, "Daddy, I will need $3.65", that I give her $5 saying, "Here is a little bit extra; after all, you never know what emergency you may run into as you may have to hire a taxi to get home." However, when the minister is asking us for a sum, and I believe we will have to agree that his figures are right, which amounts to a cheque for $4,600,000, I feel that is a rather high proportion of the amount of money his department spends in a year. I feel the minister is showing a lack of confidence in the house, and in the good intentions of the members of this house, because he is afraid that in the last week of March they might not grant him the money that he has found he needed for emergencies during the course of the year. If they are not emergencies then he should not be asking for this money under these headings. The items should be listed in the estimates along with all the other projects. I cannot see how, in a country such

as Canada, emergencies are known to exist that will total $4,600,000. I think it is a little unreasonable to ask the house to grant this large amount.

Mr. Diefenbaker: Mr. Chairman, we have had no explanation from the minister at all as to why this year he is asking for an increase in this item of $250,000. We all know that the coming year may be a year of a national event, and that another quarter of a million dollars to play around with—I notice two or three of these items here—would naturally enable the minister to establish his popularity in those areas to which he advanced this extra amount. There is another strange thing and that is the tremendous desire on the part of the Minister of Finance for economy and yet an item like this is passed by the treasury board with an increase from $1,250,000 to $1,500,000. The minister in charge of the department says, I have no plans that I can place before the committee; I do not know what expenditures I am going to make. I am unable to advise what advance planning of projects is going to be done. All I ask for is an additional quarter of a million dollars.

Now, I know that there is nothing more attractive for the minister's millennium than a melon like this to be distributed without giving to parliament even a rough outline of the need for the increase. I feel that with this item there should be a protest made against this type of financing. In the United States the Hoover commission went very carefully over the items that had been budgeted for and that had been in the accounts for years. One thing that they found that was a dangerous item was an item such as this. It is an encouragement to over-expenditure. One million and a half dollars is given by parliament without strings attached, without even a suggestion by the minister as to why the additional quarter of a million dollars is needed, without even a general outline as to how it is going to be expended. This is the type of item that encourages departmental officials to spend, spend and spend.

In view of the lack of any explanation by the minister, in view of the fact that his department has no general outline of how this money is going to be spent and the government has gone no farther than to say this department needs its money, I move:

That item 390 be reduced to $1.

Mr. Stuart (Charlotte): I have listened to the discussion of the estimates of the Department of Public Works, and I have noted some of the statements that have been made within the last few minutes. The hon. member who has just taken his seat stated that this is the type of financing which encourages over-expenditure. I can assure him that if encouragement for over-expenditure is looked for, all the minister has to do is to follow the speeches that have been made by the opposition during the perusal of his estimates. He will find many suggestions there that would cost the taxpayers of this country hundreds of millions of dollars. I would take it for granted that it would be rather difficult to estimate exactly how much the minister would want after the discussion that has taken place on his estimates. I am sure there are few members who have taken any part in the discussion of these estimates who have not suggested that a new public building or something of that nature be constructed in their constituency. I feel that the minister, regardless of the amount which might be provided for his department, will spend wisely and for that reason I will reject the amendment which has been moved.

Mr. Winters: Mr. Chairman, let me say just a word on this. I think the hon. member for Prince Albert has a great misunderstanding of how departments operate, in fact I believe of how parliament operates. There is one further thing I should say, and that is that he is displaying a tremendous lack of confidence in his colleagues in the Progressive Conservative party. I say that for this reason. When this item was first put in the estimates in 1953-54, when the hon. member for Vancouver-Quadra was the official critic of the Department of Public Works—he did the job very well—he discussed the vote. Two other hon. members participated in the discussion. It passed very quickly with less than two columns of discussion in *Hansard*. I reviewed that at noon.

Mr. Diefenbaker: We have had the experience since.

Mr. Winters: Last year the same item passed without a word of comment or criticism from any hon. member of the official opposition.

The hon. member said that this was an opportunity to cut a lemon. I think that demonstrates a clear lack of understanding of the purpose of the vote.

Mr. Knowles: You have your fruits mixed up.

Mr. Diefenbaker: It was a melon.

Mr. Nowlan: We hope it will be a lemon.

Mr. Winters: Perhaps it is too good an opportunity to miss the association of ideas there.

Mr. Pearkes: It is a citrus fruit, anyway.

Mr. Winters: No melon is being cut here nor is any lemon being cut that anybody can participate in. This is an opportunity to plan for future construction and quite the reverse is the case from what the hon. member said, that this is an opportunity to inflate the estimates. What the Minister of Finance is quite rightly trying to do is to economize and he is doing it successfully.

This is an attempt to avoid large amounts in the estimates that we do not spend. The old technique meant that in order to plan and acquire sites we had to include specific items in the estimates with amounts that often remained unspent. By consolidating the opportunity to plan and acquire sites in this vote we can reduce the number of individual items and thereby keep down the total amount of the estimates in line with the program the Minister of Finance is so ably following.

On that basis I see nothing in the arguments advanced by the hon. member for Prince Albert to warrant the amendment he has submitted and I must therefore inform the committee that I will vote against it.

Mr. Diefenbaker: Mr. Chairman, would the minister just go back and answer one question. Why is the minister asking us for a quarter of a million dollars more this year than last year? These estimates must have been made up four, five or six months ago and it must have been known that the amount required in 1956-57 would be a million and a half dollars.

Does the minister say that no portion of the million and a half in the last six months has in any way been proceeded with by way of planning of any project? Have none been planned within that period? If that be so and the minister is unable to give us any record of any new projects, it indicates that there is going to be a lot of money ready just before the election.

The Deputy Chairman: Is the house ready for the question?

Some hon. Members: Question.

Amendment (Mr. Diefenbaker) negatived: Yeas, 19; nays, 62.

Item agreed to.

General—

391. To supplement, on approval of treasury board except where less than $1,000 is required, any of the appropriations of the Department of Public Works, $750,000.

Mr. Green: Mr. Chairman, this is a general item to supplement, on approval of treasury board, any of the appropriations of the Department of Public Works and the amount is $750,000, which is almost double the vote for last year which was only $400,000. There is no information given in the details as to how much was actually spent during the last fiscal year. I would ask the minister to explain why it is necessary to have this very large increase in this vote.

Perhaps at the same time the minister could deal with the question I asked him a week ago today when one of the dredging items was under discussion, as to whether or not he would table a report entitled, "Analysis of Tides and Currents in Burrard Inlet". That report was the result of a study of the effect of dredging on the first narrows in Vancouver and it should be of great interest to various bodies in greater Vancouver. I hope that the minister will be able to table the report today so that it can be studied by the public generally.

Mr. Winters: Mr. Chairman, if you will permit me, I will have copies of the report sent to the table now.

The Deputy Chairman: I do not want to become unnecessarily technical but if the minister would revert to motions at five o'clock with Mr. Speaker in the chair I think it would be the proper time for the tabling of the document so that it can be entered into the records of the house.

Mr. Winters: I will do that, thank you. The answer to the question is that out of the total amount of $400,000 the sum of $393,410 was spent.

Mr. Green: I asked the minister why it is necessary for this present fiscal year to have an increase of $350,000 which is almost double the amount spent last year? This amount is not an item having to do with one particular project; it is another of these general items, a sort of catch basin item, from which the department can draw for any one of its many votes. Why is it necessary to double this vote?

Mr. Winters: It was considered necessary, Mr. Chairman, because last year we did encounter some trouble with one or two appropriations in which we overspent and had to rearrange through transfers and otherwise. This is an attempt to include an amount which we think will be more realistic and cover the possible over-runs on any of the large number of projects we have in hand at the present time.

Item agreed to.

General—

392. To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1956-57, $650,000.

Mr. Montgomery: This is an item which, as I understand it, covers unpaid balances similar to item No. 391. Could we not have some information as to where this will be spent? I presume the minister should have some idea where this amount of $650,000 is going to be used.

Mr. Winters: This is a different item from No. 391. Item No. 391 is intended to provide for over-runs, as indicated, of any moneys in the estimates for the previous fiscal year.

Item No. 392 is to provide for an instance where a project is in hand but for which no money was requested in the estimates in the immediately preceding fiscal year but for which some funds are now required to clean up and finish the operation. This is the traditional item which has been carried for years. The hon. member will note that we are asking for the same amount of money this year as we did last year.

Mr. Montgomery: Do I understand that the minister is unable to tell us where this money was spent?

Mr. Winters: I am unable to say where it will be spent this year, but I can say where it was spent in past years. That is all a matter of record and detail.

Mr. Montgomery: In other words we will not know until next year where this money has been spent?

Mr. Winters: That is right.

Item agreed to.

393. Statue of the late Sir Robert L. Borden, $20,000.

Mr. Nowlan: Last year the minister said that the location had been selected and borings made at the west corner of the parliamentary grounds. Can he tell us whether that site has been definitely decided upon? I notice there is a reduction in the amount. Last year we voted $45,000 and this year we are being asked to vote $20,000. Is that to be a final payment? When is it expected that the monument will be erected and unveiled?

Mr. Winters: This amount is required to complete the project, as far as the sculptress is concerned. There were some delays, and when I had a discussion with the sculptress Miss Loring just a few days ago when she visited my office I asked how the project was developing. She has now completed a half-sized figure which she proposes to have reproduced in bronze in full size. She told me it was expected the figure would be ready for mounting in November of this year. I told her that I would not hold her to any specific date because of the uncertainties that are sometimes encountered in producing a statue of this kind. In the meantime we propose to erect the pedestal on the site west of the west block and have it ready to mount the statue when it is completed.

Mr. Regier: How much is it expected that the whole thing will cost?

Mr. Winters: Fifty-three thousand dollars.

Mr. Regier: I do not intend to oppose this vote or to move that it be reduced, but I do feel that we have reached the stage in our history when we might consider that we have enough of these things on the grounds surrounding the parliament buildings.

I have another little problem in mind, that faced by students of political science at the Canadian universities. I feel that if Sir Robert Borden had been asked when he was living whether he would like to have a statue erected in his memory or have a trust fund set up which would return about $2,120 per year to be used as scholarships for outstanding students of political science attending Canadian universities, he would have said that he was not particularly anxious to have copper go green with age, moss set in, birds roost on his head and ears and so forth. I think he would have preferred to have had his memory perpetuated by means of scholarships for students who are studying the particular field in which he spent so many of his years. The opportunities available to students of political science in our universities in the form of scholarships are few and far between.

After the completion of this project I think serious study should be given to a more moderate means of commemorating the services of those who have played a great part in our public welfare. The next in line will most likely be the Right Hon. William Lyon Mackenzie King. Since the late William Lyon Mackenzie King was a great believer in things spiritual, I think he would have been the first to agree that he would not want erected to his memory a monument made of stone or copper, that he would prefer something along the lines of the proposal I am now putting forward. I mention these things now because I do not want to be placed in the embarrassing position, when the next case comes before this house, of being wrongly accused of not wanting to pay a proper tribute to those men who have so well served their dominion in years gone by.

Mr. Small: Following the statement by the minister that this project will be completed about November, may I suggest that that

will be rather late in the year and probably it would be more appropriate to leave it until next year when there will be a change in government and the new government could carry this through.

Item agreed to.

395. To provide for the expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, rental housing, schools and related services on behalf of the Department of National Defence, $1,000,000.

Mr. Pearkes: Could the minister explain this item a little more fully, as practically no details are given. Where is this money to be spent and on what type of building?

Mr. Winters: This is in connection with housing, schools and ground facilities that may be installed for housing for the Department of National Defence. Central Mortgage and Housing Corporation acts on an agency basis for the Department of Defence Production in the building of these facilities for the Department of National Defence. This vote is to cover the expenses of the corporation in carrying out that agency arrangement.

Mr. Pearkes: The vote last year was $1,450,000. Could the minister state whether that full amount was spent? In view of the amount of housing going on, that amount would seem to be totally inadequate. I cannot apply it to realities.

Mr. Winters: The amount was spent last year. That was not the total cost of construction; it was money paid to Central Mortgage and Housing Corporation for carrying out the total volume of construction. This year that total will be in the neighbourhood of $22 million.

Mr. Pearkes: Does that mean that this is simply an administrative item to cover draftsmen and clerks that may be employed for the purpose? Apparently it has nothing to do with the actual construction and therefore the minister is unable to tell me where this money is to be spent, or will it be spent only in Ottawa?

Mr. Winters: That is correct. This is an administrative item for inspection, drafting and engineering services, as well as the other items which enter into the general administration of a construction program.

Mr. Pearkes: I know the answer which the minister will make to my next question is obvious; I know he will say it is because of the efficiency of his department that he has been able to reduce this vote.

Mr. Winters: The construction program has been slightly reduced and the administrative expenses are related to that program.

[Mr. Small.]

Mr. Pearkes: This would include the construction of camps such as Gagetown?

Mr. Winters: Yes, sir.

Mr. Nicholson: It seems to me that this is quite a large item to have in such little detail as the minister has so far given us. I wonder whether he could not give us a better breakdown as to exactly how the $1 million is to be spent next year.

Mr. Winters: It is to be spent for the general administration needed for the construction program required for the armed forces. For example, at camp Gagetown there is a very large project for which the Central Mortgage and Housing Corporation is building the houses, and their costs of administration of that operation come out of this vote. Across the country there are housing projects for the Department of National Defence, schools are being built on locations and ground services provided. The Central Mortgage and Housing Corporation has been given the job of supervising that construction program, and this is their cost in that regard.

Mr. Nicholson: Could the minister indicate whether any of the operations are carried on in Europe, that is, does his department supervise any of the construction there?

Mr. Winters: No.

Mr. Knowles: Was it this item or the one under loans and investments that the minister said would be the appropriate place to ask general questions on housing administration? I believe it was this item.

Mr. Winters: I do not mind. I do not think that either item actually is too appropriate for a general discussion on housing, but I think the loans and investments item would be the more appropriate of the two.

Mr. Knowles: I believe that this matter was raised on item 1 of the minister's estimates and he indicated he would prefer to have the housing discussion on one or the other of these items. I am in the minister's hands. Which does he prefer?

Mr. Winters: This is a specific item to cover construction for the armed forces. The other one is perhaps more general. If he would not mind discussing it on item 530, I think that would be a little better.

The Deputy Chairman: Just before this item is completed, in view of the interchange that has just gone forward between the hon. member for Winnipeg North Centre and the Minister of Public Works, I might say that I have both items before me. One deals specifically with rental housing, and so on, on behalf of the Department of National

Defence. The other deals specifically with housing projects for veterans and two named projects, one at Gander and one at Pembroke.

I do not wish to assume the responsibility for curtailing the debate too much, but perhaps I should state to the minister and the hon. member that I do not think it would be fulfilling my duty if I permitted either item to branch out into a full-scale debate on the administration or the accounts of the Central Mortgage and Housing Corporation. Having said that, I shall try not to be any tougher than I think I should.

Mr. Knowles: I realize you do not wish to be tough, and neither do you wish to be too lenient. I think this point was dealt with when we were on the first item of the minister's estimates. He indicated then he would prefer any discussion of housing to be delayed until we came to this item, rather than taking it under general administration. I think that conforms with the practice in the last few years, and I think that is what the committee would expect to take place today.

Item agreed to.

Loans, investments and advances—

Central Mortgage and Housing Corporation—

530. To provide for advances to Central Mortgage and Housing Corporation for the purposes of subsection (1) of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans and for housing projects at Gander, Newfoundland, and at Pembroke, Ontario, for sale or rental, $1,462,000.

Mr. Knowles: Under this item, I should like to ask the minister whether he can say anything further with respect to the matter to which I drew his attention yesterday on the orders of the day. I asked him then whether he had yet seen the press report by Gerald Waring concerning the extent to which the chartered banks have reduced their lending for the construction of new homes. The minister indicated that he had not yet seen that report and he also suggested that, if the government had any thought of going more directly into the field of lending by the Central Mortgage and Housing Corporation, that would be a matter of government policy, to be announced in due course.

It seems to me that a report such as that which Gerald Waring gave in his column, which was published in a number of newspapers yesterday, does call for some comment by the minister. As I interpret this report, it seems that, as a result of the advice given by the Bank of Canada to the chartered banks to put certain brakes on credit, the banks have carried out that advice with respect to housing. I understand that the advice given by the Bank of Canada was that housing was the one field where credit should not be curtailed; yet Mr. Waring's report is that this is the very field in which it has happened. His report indicates that loans by the banks for new housing so far in 1956 are 30 per cent below what they were at the same time last year. In the light of that, it seems to me that the question I put to the minister yesterday is more than appropriate, when I asked him if the government would consider expanding its activities in the field of direct loans for housing construction.

It should be pointed out to the minister that the suggestion contained in my question of yesterday, the suggestion contained in Gerald Waring's report, could not have come as any surprise to the minister. Indeed, on January 18 of this year, my colleague, the hon. member for Burnaby-Coquitlam, as recorded on page 249 of *Hansard*, asked the following question of the minister:

> Mr. Speaker, I should like to direct a question to the Minister of Public Works. In view of yesterday's announcement by the banks indicating a decline in money being available for housing, would the government consider again supplying a portion of N.H.A. funds as it did before the first session of this parliament?

The minister asked permission to take the question as notice. He answered it the next day in what we must take as a considered fashion, and this in part is what he said, as recorded on page 281 of *Hansard*:

> There has been no indication by prospective borrowers that there is a general shortage of mortgage money under the National Housing Act. As the hon. member knows, the act contains authority by which Central Mortgage may make loans directly to borrowers if loans are not being made available by approved lenders. If a shortage of mortgage money did occur it would be a matter of government policy, in light of the circumstances at that time, to determine to what extent the corporation's power to make direct loans should be used. At the present time this authority is being used in the smaller communities. It is the government's intention to insure that a high level of house building continues.

That was the declared position of the minister on January 19, but we are now led to believe that there has been a considerable reduction in the lending of money by the banks for the construction of new homes. In the light of that, it seems to me that the time has come for the government to implement its indication, as set out on January 19, by expanding its activities in the field of direct loans for housing construction. I think it would be appropriate that the minister make some statement on this matter at this time.

Mr. Winters: This is rather far afield when one relates it to the wording of the item but, since the hon. member did have the impression he could discuss some general

items on housing, I shall comment. But at the same time I hope that we will not widen this discussion to a general debate on housing, particularly having in mind that we have just had two full-scale debates on housing, one on the resolution stage and the other on the second reading stage of the amendments to the National Housing Act. The situation, as the hon. member knows, is that money has tightened up and the flow of funds available for mortgages has tightened correspondingly. It was for that reason that we gave very serious consideration to this matter recently and took the step of raising the ceiling for mortgage money under the National Housing Act from 5¼ to 5½ per cent, which restored it to the level at which it was established in 1954 when the act was amended to enable the chartered banks to make loans against the security of residential mortgages. That has stimulated a flow of mortgage money. It is still below last year's level.

But on the other hand we came into this present year with a carry-over of some 80,000 units under construction and to date starts have been above the level even of last year which was a record level in itself. A great deal of that is because of forward commitments by lenders but the fact is we are still getting a very high level of house building activity. What the future monetary trends will be it is hard to tell at this moment, but we are in the fortunate position of having a heavy carry-over coming into this year and having a high level of house building activity that has prevailed up to this time and shows healthy signs of continuing. Basically those are the factors that confront us now. As I have said, the government wishes to see a continuing high level of housing activity and we are studying the situation at all times, as my hon. friend can well imagine.

Mr. Knowles: I have one or two other questions. Since I have referred two or three times to Gerald Waring's report and since the minister has now repeated the information he gave on another occasion about the greater number of starts this year, perhaps I might indicate that Gerald Waring included in his report these two sentences:

> Housing starts have remained high on the strength of bank commitments made before credit was tightened. But housing officials expect the dollar downhold will show up markedly in a month or two, at a time of year when home construction normally would be approaching peak activity.

It seems to me that the time to face a crisis such as that is in advance rather than after it has come upon us. I wonder whether the Minister of Public Works has had a heart to heart discussion with his colleague, the Minister of Finance, about this matter. It seems to me that it was a logical and commendable bit of advice to give the banks that in curtailing credit they should not apply the brakes on credit for the construction of homes. Banks are in business for the purpose of making money and one cannot blame them if they have a particular interest in their better customers, if we may call them that. But surely if advice is going to be given to the banks with respect to lending for home construction the government should pursue the matter and see that that advice is acted upon.

I am glad to note that the minister is studying the matter but I suggest that it requires pretty active consideration right now rather than after the slow-down has become evident, which in turn involves another delay before anything is done. May I ask one other question. Has the minister any comment to make on the rumour that the government might try to meet the situation by buying such mortgage paper as the banks hold so as to increase to that extent the credit they might have available for housing?

Mr. Winters: There is provision made for that operation under the statute now. I do not think I should comment beyond that on the government's intentions.

Mr. Knowles: Then can the minister indicate to the committee the extent to which direct loans by Central Mortgage and Housing Corporation for housing are in operation?

Mr. Winters: The policy is that direct loans by C.M.H.C. are made where the lending operations of other lending institutions are not the normal practice. As I said when discussing the amendments on second reading, two years ago before the banks came into the picture there was quite a high level of direct activity on the part of Central Mortgage and Housing Corporation, but the need for that has dropped because the 4,000 odd branches of the chartered banks have in effect been lending agencies in many communities that were not previously served by mortgage money under the National Housing Act. To date there has been no decided trend one way or the other in that feature of operations under the act.

But all these things are matters which we are studying and, as I said, the situation is that so far we have a high level of housing activity. We have been observing the trends and studying every feature of the situation. The hon. member advocates that we keep as close to it as we can. I can assure him that we are doing that.

Mr. Pearkes: A portion of this amount is allocated to housing projects to aid veterans.

Under the veterans legislation there is the Veterans Land Act which, under the small holding section, takes care of the general housing of veterans. I know that a certain size of lot is required, approximately 1·6 acres, but there are many veterans who are asking for housing assistance with respect to much smaller lots in cities or their suburbs and I understand that they apply through the Department of Veterans Affairs to Central Mortgage and Housing Corporation and from there they obtain assistance. I have had recommendations made to me by veterans, members of the Legion and officials of the Department of Veterans Affairs in widely scattered places throughout this country that it would be far more satisfactory to the veterans if they could process the whole business of acquiring the land and building the house under the Veterans Land Act rather than having to deal with this other organization which is concerned with loans under this item.

It seems to me there is undoubtedly duplication in so far as the Veterans Land Act and loans made under this item are concerned. Would the minister explain exactly how loans for housing projects are made under this item? I should like to have his comments and I hope I will be able to obtain the comments of the Minister of Veterans Affairs when his estimates are being considered because there seems to be a widespread opinion among veterans that they would prefer to complete the processing of the loans through the Veterans Land Act administration.

Mr. Winters: That particular operation is not covered under this vote which is required to finance the housing projects that the government owns and operates and which are available for rental to veterans. I know my hon. friend is aware of them because we have several very good ones in Vancouver. What he referred to is housing under the Veterans Land Act which is administered by my colleague. There is one provision whereby the Department of Veterans Affairs has facilities for helping veterans to build their own homes. The arrangement has been for Central Mortgage and Housing then to go in, take over the mortgage and administer it. The Canadian Legion, when they presented their last brief, brought to our attention the fact that they thought there was some duplication between the branch of the Veterans Land Act administration and Central Mortgage and Housing, and expressed the preference to process their loan through the Veterans Land Act. That arrangement has now been made. That apparent duplication has now been removed and the loans are being processed through the Veterans Land Act administration.

Mr. Pearkes: I take it that this does not apply to individual veterans' loans?

Mr. Winters: That is right.

Mr. Pearkes: This applies only to the larger projects which are handled by Central Mortgage and Housing Corporation?

Mr. Winters: This vote applies only to that; yes.

Mr. Regier: Mr. Chairman, I also will have to crave the indulgence of the minister, hoping that he will not remind you of what may be your responsibility too severely. I had intended to speak on the subject of housing under item 1 of his estimates. I had not very much to say but I had a few points that I wished to make. I was advised rather officially—I do not know whether *Hansard* would have a record of it—that the minister did not wish at that time to have a general discussion on housing but that we were to wait until the item of housing appeared in the estimates. I should like first of all once again to repeat to the minister the plea of those who are engaged, in British Columbia at least, in building homes for senior citizens. In these homes and notably the ones built—

The Chairman: Order. Perhaps I should disabuse the hon. member's mind immediately. I have no recollection of any such arrangement. We are here dealing with a particular item, and I hope the hon. member will confine his remarks to discussion of the particular item.

Mr. Regier: In that case, Mr. Chairman, on a question of privilege I should like to ask the minister categorically to deny that he asked us to withhold our comments on item 1.

The Chairman: Order. I have no right to establish any arrangement between the hon. member for Burnaby-Coquitlam, the minister or any other individual members of the committee. I must owe my duty to the members of the committee as a whole and I must apply the rules, as they are applicable, to all.

Mr. Winters: Mr. Chairman, in that connection may I say just a few words. Perhaps this will help to clarify the matter. The hon. member for Comox-Alberni telephoned my office when these estimates were about to come up for consideration and asked on which item housing could be discussed. I assumed, perhaps wrongly, that what they wished to discuss was related to the items set forth in the estimates under housing, and I said it would be more appropriate to discuss housing

under those items than to discuss it under the general administration item of the Department of Public Works. That was the understanding I had at that time.

Mr. Barnett: If I may, I should like to say a few words on the point of order. May I just point out that when another Chairman was in the chair when this item first came forward, there was a little bit of discussion on this point. At that time I understood the minister to say that he hoped there would not be any prolonged discussion on the question of housing but that if there was general agreement in the committee perhaps some discussion would be allowed to take place. As I recall the conversation to which the minister has referred, I pointed out that the items in the estimates on housing were rather specific in their reference and that, in view of that fact, I thought it might be desirable to have some understanding as to whether those wishing to make general reference to housing questions should do so under the first item or general administration item of the department if it was not going to be possible for a fairly broad interpretation to be given and for the discussion to take place on the particular items under housing. I suggested that if it was the general understanding that such discussion could take place on the particular items in the interests of orderly discussion we would be willing to co-operate on the first item of the minister's estimates on this point. I know that it was on that same understanding that my colleague the hon. member for Burnaby-Coquitlam had with me that he deferred his remarks at that time, with the intention to bring them up when we came to the housing discussion.

Mr. Nicholson: May I make one further remark on the point raised by the hon. member for Comox-Alberni. The minister explained that the experts from Central Mortgage and Housing would be present later on but that they would not be on the floor when the first item was under discussion. Our understanding certainly was that an appropriate time would arise later on when the officials from Central Mortgage and Housing Corporation would be here in an advisory capacity and when it would be in order to raise problems which normally could and would be raised on the first item.

The Chairman: Perhaps I should clarify the position with regard to these estimates. It seems to me that considerations relating to departmental policy should be discussed on the first item of the departmental estimates. That procedure, I suppose, is not strictly in accordance with standing order 59, paragraph 2 which reads as follows:

> 59. (2) Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

By custom we have commenced to discuss departmental policy under the first item of the department which, after all, deals merely with departmental salaries. I must frankly admit that I erred a week or so ago when I allowed the minister to discuss under a supplementary item—I think it was administration of one of his branches—a number of subjects which to my mind might much more appropriately have been discussed under the particular items involved. I assure hon. members—and merely in fairness to other hon. members—that I will try my best not to make such a mistake in the future.

I feel that we must adhere more strictly to the rule of relevancy. I cannot from the chair recognize private conversations or any other arrangements which are entered into by ministers of the crown or by any other members of the house unless by unanimous consent of the committee of the whole. I think hon. members will realize that. I merely wish to say this. I am not going to do any injustice to any hon. member under this item. It is quite obvious that several hon. members have felt, as a result of conversations or commitments made to them elsewhere, that they would have an opportunity of speaking under this item. I therefore am not going to stop the hon. member. However, I feel that I should perhaps give notice at this time that I am here to attempt to enforce the rules which this house has adopted for the benefit of all hon. members. From now on, perhaps hon. members would wish me to enforce those rules strictly, especially when we have in these resolutions particular subjects to deal with.

Mr. Regier: Thank you very much for your consideration, Mr. Chairman. I was saying that for some time it has been of some concern to us that when we build homes for our senior citizens with the assistance of Central Mortgage and Housing Corporation, we do manage to obtain a grant from the provincial government towards the cost of these homes of roughly one-third. I am referring specifically now to such organizations as the Burnaby New Vista Society. A large share of the money had to be raised by voluntary effort and that, to some degree, may be desirable and wholesome.

However, I never was particularly proud of the role played by Central Mortgage and Housing Corporation, because their assistance consists only of a loan which has to be repaid. If the minister were able to persuade

his colleagues in the government to aid the cost of housing for our senior citizens, at least to the extent of the provincial aid in this respect, we would be able to reduce the rental to these people on low incomes by a considerable degree. By the time these 40 and 50 year mortgages are repaid, in effect we have repaid twice the amount borrowed. If there is any way, therefore, in which the minister could clear himself with his colleagues and use the Central Mortgage and Housing Corporation not for the purpose of granting mortgages on these homes but for the purpose of making grants towards the construction of these homes, I think it would be greatly appreciated throughout the country.

The other little thing I intended to say was on the subject of the insurance that now prevails on all N.H.A. loans. I should like to see this insurance feature extended to include insurance for the borrower as well as for the lender. I feel that, in the first place, we should have thought of insurance for the borrower. However, the government in its wisdom at the time decided that the welfare of the lender was more important and therefore the insurance feature was introduced. Everyone buying a house under N.H.A. is forced now to pay an insurance premium so that if he cannot meet his payments the lender receives full protection. I feel that the minister could, with very little administrative difficulty, extend the insurance feature to provide insurance for the borrower. I am sure that by now the minister must be well aware of the fact that when homes are financed by life insurance companies an insurance salesman shows up at the door shortly after the family occupies the home. He does his utmost to persuade the family to buy term life insurance or mortgage insurance as it is sometimes called, so that if the head of the family passes away the balance of the mortgage will be paid. There are other catastrophes besides the death of the breadwinner of the family, and I think at very little inconvenience to his department this insurance feature could be introduced and the government would not then be on record as being only interested in the welfare of the lender but would also have shown some concern for the welfare of the borrower.

There is one other minor detail I wish to mention, although in Burnaby it is now a major detail, and that is the apparent arbitrary ruling that now applies to some of the suburban areas that no N.H.A. loan shall be granted where septic tanks are planned. Our municipal council back home has attempted to get Central Mortgage and Housing Corporation to modify this policy somewhat and they are asking that where the municipal engineering department can prove that plans actually are in existence for the sewer, the loan under N.H.A. be approved. However, the departmental officials have not yet seen their way clear to grant what I consider to be a very modest request. We almost get back to the old conundrum of which came first, the chicken or the egg. Unless the prospective house builder knows that he will be able to get an N.H.A. loan he is unwilling to buy the subdivision or the set of lots offered for sale, yet Central Mortgage and Housing say that until the sewer is in we are unwilling to approve these lots. The minister well knows that councils in suburban areas are not in a position to instal sewers through undeveloped areas. Things have, therefore, reached a sort of stalemate and a problem has arisen that will have to be resolved. While I should like to see sewers along every alley in these suburban municipalities, I think the minister will agree it is a financial and physical impossibility. I think a bit more leniency mght be extended and some agreement reached with these municipalities whereby if they express willingness to instal sewers, if and when the subdivision takes place, then the N.H.A. financing will be made possible.

I should like to close with a reiteration of the statement the minister made to me on January 19 when he said it is the government's intention to ensure that a high level of housebuilding continue. Today he said something to the effect that what future concerns will be no one seems to know at the moment. I hope the minister will not lock the stable door after the horse has run away. I hope he will keep the situation well in mind and also keep the situation six months or a year from now well in mind. I think he will agree that bank lending has been greatly reduced and that it is the intention of the banks to hold their percentage of investment in housing at approximately the level that now exists. Other sources of mortgage money, therefore, will have to be found. I should like to seriously urge upon him that he ask his colleagues to again consider having the governments supply a portion of N.H.A. funds.

Mr. Herridge: I rise to make a very few brief comments and I trust that, as usual, I am strictly in order. I believe my remarks are directly related to the item under discussion. I have some further remarks to make on housing, but we have some legislation before the house which will provide an opportunity for that.

I refer particularly to the veterans housing project at Sunningdale in Trail. I rise for two purposes, to make a brief plea on behalf

of these veterans and to say that I take a somewhat unholy delight in proving the minister wrong when I have the opportunity. About a year ago these houses were put up for sale by the corporation. The veterans concerned, the city council of Trail, the legion and people generally in the district thought the price was too high. I made representations on their behalf and also suggested that, in view of this general dissatisfaction with the price established by Central Mortgage and Housing Corporation, there should be an impartial appraiser appointed to go into the situation.

The minister did not agree with that. In fact, in reply to my suggestion on the estimates, he wrote me on July 20 the following letter:

> We are unable to accede to the request that an impartial appraiser be appointed for the purpose of establishing a sale value on the houses in question. We believe that a fair price has been established for the houses in Trail and that it is below the market value of comparable houses in the municipality. We therefore do not think any purpose would be served by following the proposal to which you refer.

In addition, during the debate the minister gave some figures to indicate how well these houses that were being put up for sale were selling generally across Canada. I do not think his figures referred to the Sunningdale project, because that has not been the fact in Sunningdale. As a matter of fact, according to information I received just a few days ago, out of 175 houses put up for sale in the Sunningdale project to date, only seven have been sold. That is an indication of the attitude of the tenants and others generally toward the prices established for these houses.

What is the result? A great number of the veteran tenants, owing to the fact that they see little opportunity of purchasing houses at a reasonable figure, are vacating, going into other districts and building their own homes, which they claim they can do to better advantage. Those who are staying and the new tenants are definitely not taking the same care of the property; the maintenance is not being carried on as well, so the project as a whole is deteriorating at a much greater rate than it did prior to the government's announcement of the prices for the purchase of these houses.

It has been proven by experience that the minister's optimism in this respect was unjustified, with the sale of seven houses out of 175 in something under 12 months and the veterans concerned, or the majority of them, and those remaining there not maintaining the houses as well as formerly. In view of the attitude of the city council, of the Legion of the area and of the veterans' committee representing the veteran tenants, it does justify a reappraisal of the situation to see if the minister's officials have unwisely advised him. I urge that upon the minister, Mr. Chairman, and I would like to hear what he has to say in response to my suggestion on behalf of these very worthy veterans.

[Mr. Herridge.]

Mr. Winters: Mr. Chairman, I have nothing new to add to what has already been said. Central Mortgage and Housing Corporation hopes to recover only its costs from these houses. The hon. member indicates that they are not selling too well on the particular project he referred to. That, I might say, does not disturb us. There has been no sales effort put into this program. We have simply offered the houses for sale, if the veterans wish to acquire them, but there is no obligation and no compulsion.

The houses are 100 per cent occupied, and presumably there is no urge on the part of the occupants who are veterans to purchase them. That situation is perhaps the way all the veterans wish it, and we are certainly not going to push the sale of houses at them if they do not wish to purchase them; but if they wish to acquire the houses they may do so at prices which we think are fair and reasonable, particularly with regard to the fact that we aim at doing no more than recovering our costs out of the project.

Mr. Barnett: Mr. Chairman, I would like to ask the minister if he has available the number of houses which have been sold in the project at Courtenay on Vancouver island.

Mr. Winters: Out of a project of 40 houses, six have been sold.

Item agreed to.

DEPARTMENT OF JUSTICE

166. Departmental administration including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada, $513,658.

Mr. Fulton: Mr. Chairman, I do not know if the minister has any statement or general review of his department to make.

Mr. Garson: No, Mr. Chairman, I have not, but I would be very glad to answer questions if there are any.

Mr. Fulton: Mr. Chairman, there are a few matters which I think should be referred to in a general way in considering the estimates of this department. Some of them could be related, of course, to specific items; but what I shall have to say at this stage at any rate

will be by way of fairly generalized comments, so I think it is appropriate to make them at this stage on the administration item.

There are three matters I should like to discuss which arise out of recent cases, or in one instance out of recent discussions in the house of a general nature.

Mr. Garson: Mr. Chairman, I wonder if it would meet with the convenience of hon. members if we were to take the estimates of the Royal Canadian Mounted Police first. The commissioner may be called out of the city shortly to confer with the provinces on some of these police agreements; and it would be of considerable convenience to the department if we could get the police estimates disposed of as the first item of our work this afternoon, if that will not discommode any of the hon. members in any way.

Mr. Knowles: I have no objection provided we can have one point understood; and I think you, Mr. Chairman, in view of your recent pronounciamento, will realize that we have to have this very clear. At least one of our members who is in committee this afternoon—in fact I am surprised that the minister is not there too—would want to have something to say regarding the Royal Canadian Mounted Police.

I have no objection to our taking the Royal Canadian Mounted Police items now provided it does not preclude hon. members from speaking on mounted police matters when we get back on the first item of the minister's department.

Mr. Garson: I have no objection to that course at all. It is not our intention to preclude anyone from discussing it. We might leave one item under the Royal Canadian Mounted Police for any further observation to be made.

Mr. Fulton: That would be satisfactory, then, if it is understood that by agreeing to this course we are not giving any undertaking that the Royal Canadian Mounted Police items will be concluded this afternoon; I do not know whether or not they will be. We are also in the position of having some of our hon. members absent from the chamber at the moment who would, I know, want to be here, but subject to those reservations it is quite agreeable to us to proceed with the Royal Canadian Mounted Police item.

The Chairman: In view of the remarks I made earlier, may I make it clear that it is impossible for us from the chair to recognize these understandings or other commitments which may be made either by ministers of the crown or by any other hon. members of this house. We are sitting as a committee, and we must recognize the interests of all members of the committee as the committee is constituted at the time.

We have now called the first item of the Department of Justice and, as the rules require, I intend to allow by custom the discussion which would ordinarily take place on the first item of the Department of Justice. If the committee by unanimous consent decides to take an item which particularly relates to the Royal Canadian Mounted Police, then I am in the hands of the committee; otherwise we are dealing with this item in the ordinary way and we cannot recognize any commitments which are made at this time.

Mr. Knowles: Mr. Chairman, is there not a difference between commitments between individuals such as those that were made outside the house in relation to public works and understandings agreed to unanimously by the committee here on the floor of the house? Surely if there is unanimous agreement now as to what course we will follow that should be sufficient for the Chair.

The Chairman: I cannot agree with that principle. We have now a committee composed of certain personnel, but that personnel, as we all know, may vary in the course of 15 minutes. Last evening the leader of the house announced a certain order of business for today. We were to take the estimates of the Department of Public Works as the first order, and then the estimates of the Department of Justice. I take it that hon. members would have arranged their attendance accordingly and that certain hon. members might wish to discuss the first item of the Department of Justice. Unless the committee at this moment unanimously agrees to deal with a particular item, I feel I am bound to say that we will deal with the first item of the Department of Justice. I do not see how I can do otherwise. If the committee by unanimous consent directs me to call another item, of course the committee at this moment is master of its own destiny.

Mr. Nicholson: I wonder if we could discuss item 397 and leave 396, the administration item, for some future date? Would it be satisfactory if there were unanimous consent to go on with item 397 and discuss all the other items of the Royal Canadian Mounted Police except that dealing with administration? That item could be held open for those hon. members who are not here but who normally would have been here if it had been announced last night.

The Chairman: Is there unanimous consent that we should deal with item No. 397 at this time?

Some hon. Members: Agreed.

Item stands.

Royal Canadian Mounted Police—

397. Construction or acquisition of buildings, works, land and equipment, $976,592.

Mr. Fulton: Mr. Chairman, first of all may I say that while we are glad enough to extend the accommodation it must be appreciated that it takes us somewhat by surprise. I am not saying this to you, Mr. Chairman; I am saying it to the minister, as we might have rather more particular questions to ask later on when we are dealing with the administration item than would normally be the case. What is the position with regard to the headquarters of the R.C.M.P.? There was a building acquired under a lease arrangement from the Catholic diocese, and my understanding was that was to be the main barracks and headquarters for the district.

Mr. Garson: Yes, that is the case.

Mr. Fulton: This item would cover the construction or acquisition of buildings in the headquarters district?

Mr. Garson: The headquarters in Ottawa and the two training establishments.

Mr. Fulton: In the main, to what does this item relate?

Mr. Garson: The operation and maintenance of the headquarters here, of the training establishment here, and of the training establishment at western headquarters in Regina.

Mr. Macdonnell: May we have a general statement as to this item?

Mr. Garson: The particulars start at page 494, and my hon. friend will find there a breakdown of these items.

Mr. Simmons: Is it proposed to proceed with the construction of the new jail at Whitehorse this year?

Mr. Garson: That would come under the estimates covering the administration of the Yukon and Northwest Territories.

Item agreed to.

Land and air services—

398. Operation and maintenance of divisions, $24,677,749.

Mr. Pearkes: Could the minister state what additional pay is granted to those members of the force who are serving in northern divisions, and where the line is drawn with reference to that northern pay? I raise this question because there is a very acute problem facing not only the mounted police but a number of other civil servants who are working in the northern parts of Canada alongside personnel employed on construction work who are drawing fabulous rates of pay. As far as the members of the force are concerned, their cost of living, their families and their general morale are affected by a comparison of the rates of pay which civilians are obtaining with those obtained by members of the force.

There has been a large influx of people into the north, with a corresponding increase in the responsibilities placed upon members of the force in the north, and I was wondering whether consideration has been given to increasing the rates of pay of the divisions of the R.C.M.P. located in the northern parts of Canada.

Mr. Garson: Mr. Chairman, the problem to which my hon. friend has referred is an important and difficult one and is encountered by civil servants everywhere when comparison is made of their salaries and allowances with those of the more highly paid echelons of business and industry. I am sure my hon. friend is aware that a problem of this kind receives continuous study by the treasury board and the civil service commission; for those in the north who are affected very naturally and properly voice their sentiments in regard to this disparity to which my hon. friend refers.

The two governmental boards to which I have referred do the best they can to bridge the gap between the emoluments of civil servants, and members of the Royal Canadian Mounted Police on the one hand and employees of private concerns, on the other. To balance completely the amounts paid to civil servants with the allowances paid by private industry and contractors to employees working in the northern sections of Canada, I do not think could be justified to the taxpayer.

Mr. Pearkes: I realize there is a problem, and it was that problem I raised. But how are you trying to effect a balance? What are the northern rates of pay and where are they applicable? I understand that an additional allowance is granted to R.C.M.P. personnel serving in certain parts of northern Canada.

Mr. Garson: The special northern subsistence allowance is $1.50 a day. The special northern allowance is $3 per day in some cases and $2 per day in others. The special northern subsistence allowance provides for $1.50 per day for Royal Canadian Mounted Police personnel serving in detachments which by their remoteness are designated as isolated. It is paid in lieu of meals or rations in kind.

The special northern allowance is as follows. The privy council recently approved

of an amendment to Royal Canadian Mounted Police regulations granting the commissioner authority to pay a cash allowance in lieu of rations to members of the force stationed at points within the Northwest Territories, the Yukon, that part of the province of Quebec lying north of the 55th parallel of latitude, and Labrador, at which it is convenient to purchase food. The cash allowance approved is $3 per diem for married members not in receipt of rations in kind, and $2 per diem for single members not in receipt of rations in kind.

Prior to the approval of the northern allowances, members of the force in the areas defined above and not in receipt of rations, received the special northern subsistence allowance of $1.50 per diem.

Mr. Pearkes: What was the date of that order in council? Was it this year, or ten years ago?

Mr. Garson: It was some months ago, not years ago. I can get the exact date for my hon. friend, but I do not have it at the moment. It was some months ago.

Mr. Pearkes: That would really be before the tremendous development that has taken place in the north?

Mr. Garson: No, I would not say that.

Mr. Pearkes: If it was some months ago it might well have been before the development of the construction of the D.E.W. line, for instance, had taken place. However, let that be. I should like, if I may, to make this observation. I think the members of the force who are stationed in the north are certainly to be very highly commended for the standard of discipline and morale they have maintained in spite of the very wide difference in pay rates between the members of the force and the civilians working in that area. I feel that it is most commendable, and I suggest to the government that I hardly think the special allowances the minister has mentioned are adequate in view of present conditions.

Mr. Simmons: I do not know why they are not entitled to the same consideration as civil servants in the northern part of our country. Single civil servants receive $900 and married civil servants $1,500 per year. I was wondering whether any consideration has been given to that problem.

Mr. Garson: I can certainly say without any question at all that very great consideration has been given to these matters, because they are considered by the treasury board and the civil service commission from time to time. But it is difficult to draw comparisons under this heading without taking into account other circumstances of, say, civil servants in the north, in the matter of housing, for example, and practices in the departments concerned.

My information is that the allowances are not necessarily uniform as among other departments of the government, and there are reasons for that. In the case of Royal Canadian Mounted Police personnel, for example, they receive housing for which they pay a rent not greater than that in the more settled parts of Canada, in spite of the fact that, as my hon. friend from the Yukon knows, it costs the federal government a very great deal more to provide that housing.

In that respect the government would not be getting an economic rent for the investment that would be represented by that house, though it would be high enough for the member of the Royal Canadian Mounted Police to pay in relation to his salary. The only way in which a balanced view can be obtained of any one of these items is to consider it in relation to them all, and that is rather a difficult comparison to make in the type of discussion we are carrying on this afternoon.

Mr. Nicholson: I notice that this item has increased by $1,205,000. I gather that, since the Minister of Finance announced the recent increases, it is necessary to make a further adjustment. I wonder whether in due course the minister could say how much the adjustment will be?

While I am on my feet I should like to say that the minister maintains very high standards for this service, and I think that is desirable; but I have a feeling the compensation provided for members of the R.C.M.P. is not adequate. I wonder whether the minister could give some comparison of prevailing rates paid in cities like Montreal, Toronto and Vancouver to their police forces, if he has that available.

I have known a number of men who have given a lifetime to the service. I am sure they did not enter the service with a view to making a fortune, but I think they should not be expected to remain in the position where they will have to worry the rest of their lives and try to qualify after retiring age for jobs that are not too easy to find. I wonder whether the minister could also make some comment upon the medieval custom, that has existed for too long a time, that men should be denied the rights of married life for extended periods.

Mr. Garson: Would my hon. friend permit me to reply to his first question. Then I would be very glad to deal with the question of marriage afterward.

On the floor of this house I do not like to make comparisons with, say, the Montreal police force or the Winnipeg police force or any of the other police forces in Canada. But I think the general statement can be made that the salaries of the members of the Royal Canadian Mounted Police force compare very favourably with those of most of the police forces in Canada. It is very proper that they should, because in the selection of our personnel we maintain, upon the average, somewhat higher standards than those which prevail in many of these other police forces.

I have not the pay schedule of any of these other police forces here, but I have that of the Royal Canadian Mounted Police force. The present annual salary of a third-class constable is $2,436. The revised annual salary that went into effect with the last increases as of April 1 this year is $2,640. For second-class constable the rates are $2,760 and $3,000. For first-class constable the salary in effect now is as follows:

First year	$3,240
Second year	3,420
Third year	3,600
Fourth year	3,780
Fifth year	4,020

Then we have corporal, from $4,320 to $4,500; sergeant, from $4,740 to $4,980; staff sergeant, from $5,220 to $5,460; corps sergeant-major, $5,640; sub-inspector, $6,660; inspector, ranging from $6,960 to $7,620; superintendent, from $7,920 to $8,580; assistant commissioner, $9,780, and deputy commissioner, $12,720. If my hon. friend has been taking these figures down I think he will find that they compare very favourably indeed with those of most police forces.

Mr. Nicholson: Can the minister tell me how many years men have to be with the service before they are permitted to marry? What are the latest regulations?

Mr. Garson: The general rule is five years. There are some limited exceptions at three years.

Mr. Nicholson: At this stage in the history of our country, Mr. Chairman, when married life is taken to be the normal way of life, and in view of the fact that the wife of the member of the R.C.M.P. invariably makes a useful contribution to the life of the community, I would think we should not argue that the economy of Canada cannot stand supporting an adequate R.C.M.P. force if the members of the force marry when they wish and whom they wish.

I recall that last year the minister said we accept about one out of 14 applicants. When we have such rigid tests I think it should be left to the good judgment of those who are selected to decide when they have found a suitable girl to marry, and that the economy of Canada should be able to stand the provision of married quarters and an income that is adequate to enable members of the R.C.M.P. to assume the responsibilities of married life without waiting for five years or even for three years in the very exceptional cases that the minister referred to.

What study has been made of the matter, and what hope is there for a revision of the regulations in order to offer those who are accepted into the service the same privileges that other citizens of the country expect and demand?

Mr. Garson: Mr. Chairman, I think there are some in Canada who seem to be of the opinion that the rule of the force against marriage for the first five years is, as my hon. friend has indicated, a survival of medieval discipline that is imposed without relation to the normal needs and administration of the force. But I can assure my hon. friend that that is by no means the case.

In the normal course of events about one year is required to train a new recruit to be a member of the force. During the next two years and to a lesser extent the two years following, in order for him to gain the experience he will require to discharge his duties as a member of the force—because, as I am sure the hon. member with his knowledge of Saskatchewan is aware, members of the Royal Canadian Mounted Police are in small groups in places where they have quite a heavy responsibility—he will be moved an average of eight to ten times.

I do not need to tell the members of the committee that with the large number of isolated posts we have in the Arctic, and to an increasing extent since we have been building the D.E.W. line and so on, many of these places to which the younger men are posted are not places where they could take a wife and family with any degree of convenience at all. As a matter of fact it is quite a substantial problem just to see that the members of the forces are properly housed and fed. Therefore the purpose of the rule is to enable us to operate a force of the type of the Royal Canadian Mounted Police in the kind of country in which we do operate, and to train the men properly during the first five-year period so they can have that degree of responsibility which we expect of them. Everyone who enters the force knows perfectly well when he does so that these are the rules of the game, and he is not in the force for any length of time before he becomes aware of the very good and substantial reasons that there are for these rules.

It is only in the exceptional case that the all too human failing comes into play, a failing

that I am sure we all share, and a member of the force happens to meet with some lady of such great charm that he cannot reconcile his undertaking to the force with the beauty of his fair one; and he gets married. He knows when he does that, he knows at every stage of the game, just what the consequences of his step will be.

It might be argued that we should not have this period of training. I do not know how we can expect to have trained people unless we train them; and unless we put them through that training. I do not know how we can expect to maintain the morale and the quality of the force so that the individual constable, wherever he may be, even if he is by himself, is a credit to the force. I certainly do not know how we could ever expect to provide facilities for women and babies in these northerly posts where, as I have said, it is an extremely difficult thing for us even to provide accommodation for the members of the force themselves.

This is by no means confined to the Royal Canadian Mounted Police. The same problem is encountered by the northern contractors to whom reference was made earlier. If we are going to operate in that kind of country it is pretty difficult to operate in the same way that you would among the apartment houses of Ottawa.

Mr. Fulton: Mr. Chairman, there are some questions on this item relating to discipline and similar matters that I think would properly be in order, but I do not want to anticipate a discussion that might well arise in connection with the legislation concerning the police which is to come before us later this session. I wanted to ask some questions and make some comments on disciplinary matters, but I will not do that now if I am correct in understanding that the legislation to come before us later will be bound to occasion a discussion of the code of discipline of the police force. May I have the minister's assurance on that point?

Mr. Garson: Mr. Chairman, I want to be fair with my hon. friend. I do not think it will come in the amendments of this session. It will come in the general revision of the act when we get to it. If my hon. friend wishes to discuss that subject matter, I think perhaps it would be better for him to raise it at the present time.

Mr. Fulton: Very well. I thank the minister for that explanation. Looking at the details on page 497 I notice that there has been an increase of virtually 320 in the strength of the force, land and air services, this year compared with last year. Preliminary to some comments and questions on discipline, I should like to ask the minister if he will tell us what the situation is with regard to recruitment and whether the situation with respect to the urgent requirement for personnel—there was a considerable shortage—is now approaching the break-even point or whether there is still some urgency with respect to further recruiting.

Mr. Garson: I think the general statement could be made that the present situation with regard to recruiting is not only very good but is also quite promising, and that we are working now toward providing the increased strength for which this item provides.

Mr. Fulton: I guess I do not quite understand the minister. I understand there will be a strength of 3,995 regular members of the force and 455 special constables and employed civilians. I do not take it that that is an establishment. I take it that those are the actual numbers for whom it is necessary to provide pay for the fiscal year now under review. Would the minister say whether I am correct there, or is this an establishment which we have still to recruit in order to fill?

Mr. Garson: This particular estimate, like all of these estimates here, is the amount we think we shall need to spend in order to carry out the program which we have planned for ourselves in the ensuing fiscal year. In that sense it is an establishment within the meaning that my hon. friend I think is giving to the word. But it does not necessarily follow that we have at this instant the number that is outlined in this estimate.

Mr. Fulton: There would always be variations from time to time within the year. If I can do so, I shall try to put it very shortly and simply. Are the 3,995 regular members of the force and 455 special constables and employed civilians the number which is deemed to be sufficient and adequate to meet the policing requirements of the force, or the duties of the force, during the fiscal year or do you still want more recruits to meet your present obligations?

Mr. Garson: The answer to that question is yes.

Mr. Fulton: What is estimated now to be the approximate shortage in personnel?

Mr. Garson: You mean as of the present date?

Mr. Fulton: All right; what is it as of the present date, or even when they have met what the minister says is what they anticipate they will require during the year? You just told me that is not enough, that it is not as

many as you would like to have. By how much does it fall short of what you would like to have?

Mr. Garson: No. What I said is that we have not now as many as we would like to have, but that the present experience in recruiting is not only satisfactory but promising; and that we think we shall be able to recruit sufficient additional members to those we now have to meet the requirements for which we are seeking authority.

Mr. Fulton: In other words, the numbers which I have already read out, and which I shall not repeat, it is anticipated will be filled this year?

Mr. Garson: Yes.

Mr. Fulton: Now what I am asking is this. Is that number going to be sufficient? Are you going to be able to say, "We have now got what we need"? Or does this number represent only what you think you will be able to get and would it in fact be desirable if we had more police personnel on strength?

Mr. Garson: I am sure my hon. friend realizes that neither the amount we have in fact nor the number we need is a static figure.

Mr. Fulton: Exactly.

Mr. Garson: I am sure he realizes that many of our needs we can foresee. Some of our needs we know we cannot foresee. Therefore as a practical matter we must review these figures from time to time; and some time this summer we will be reviewing these very figures that we are discussing. I do not know how I can make any more definite statement than I made when I said that we are in fairly good shape now; that the prospects are quite good; that we think we can recruit the additional numbers we require within what we can foresee at the present time; and that this summer we shall have to examine our position again in the usual manner in which we always do that.

Mr. Fulton: I am sorry we cannot get closer together than that, but I will leave the matter. At any rate, there is to be an increase during this year over last year of some 400 members of the force, regular and special.

That raises the problem of discipline. The minister has mentioned the training which recruits are required to undergo. I know it is dangerous and unfair to draw general conclusions from individual cases, and I shall not do so. But one cannot help being concerned about the type of case I have in mind, namely the case which occurred in Prince George during 1955, which was a great discredit certainly to the individual members of the force who took part in it and which I know was viewed with great seriousness by the senior officers of the force themselves. But even in the spirit of what I have said, namely that it is unfair to make too much of any one particular case, this was to such an extent the sort of thing we have always felt that the R.C.M.P. was above that by that very fact and, if you like, by the excellence of the record of the force over the years, it sticks out like a sore thumb.

I refer to the case of the two constables—fortunately it can be said that they were relatively junior—who beat a prisoner and extorted a confession from him, and who were found guilty of having done so. They were fined. They were reduced in rank. They were sentenced to imprisonment. One was sentenced to six months' imprisonment with hard labour and recommended for dismissal, and the other was sentenced to four months' imprisonment with hard labour and recommended for dismissal.

Both appealed as to sentence only, with the result that their fines were remitted. I do not suppose there is any point in imposing a fine which there is no opportunity to collect. It becomes senseless and only involves administrative red tape and does not produce any result. But I am surprised that this punishment—which I must say I find to be not by any means excessive in the light of the seriousness of the offence—was in any sense reduced on appeal.

I should like an explanation of that matter, because I personally was surprised. I was surprised because I felt the feeling would probably have been to make an example of these men. I do not think a fine—though it is admittedly only part of the sentence and there are other and perhaps more serious parts—in one case of $100 and in another of $60 is in any way excessive even though, as I said before, it is only part of a sentence.

Mr. Garson: Mr. Chairman, I am sure none of the remarks which my hon. friend from Kamloops made with regard to the great embarrassment this incident caused the force, which has had a record from which this sort of thing is not ever expected, were in any way exaggerated. I am in complete agreement with him that this was a most regrettable episode in the history of the force.

As I understand my hon. friend's remarks with regard to the disposition of the cases of these two men, he does not disagree with the reduction in rank, with the imprisonment or with the dishonourable dismissal from the force, though he does think the remission of the fines was unwarranted. Well, that was ordered by the commissioner on the appeals which both these constables made to him. My

information is that the reason for the remission of the fines was that they were a relatively insignificant part of the total penalty. When a man is reduced in rank, imprisoned and kicked out of the force, it does not seem to me to make a great deal of difference whether or not he is fined a small amount such as $60.

Now, it may be that my hon. friend does not agree with that judgment, but it was one which the commissioner had the authority to make and which he did make, I am sure, with the same conscientious attitude toward his responsibilities that he shows on all occasions.

Mr. Fulton: I do not believe we are going to quarrel over what would perhaps be properly regarded as an administrative detail in the exercise of the commissioner's discretion, except that I have just regretted, and we will leave it there, that the punishment was in any way lessened.

This occurs to me. While I am not sure that it would be in any sense a legal responsibility of the force, and in fact I am not quite clear how the matter would be handled, there does arise the question of making some measure of restitution to the individual who was wronged as a result of this offence. Is there anything that can be done along those lines, or was there any request made? If so, how was it made?

Mr. Garson: Yes, Mr. Chairman, I understand that the man who was prejudiced by this conduct has made a claim for compensation which is under negotiation at the present time. When the negotiation is completed, I presume the matter will be taken care of by an *ex gratia* payment.

Mr. Fulton: It was in that respect that it struck me that, small in total amount though the fines may be, nevertheless as a gesture or something that might be meaningful the fines might have been allowed to stand. However, I will not press it any further.

May I ask this. Everyone must recognize that an organization such as this, confronted with the twin difficulties of a quite rapid expansion and the necessity to maintain a high standard, has a very real problem. In asking this question I am not trying to cavil or overlook the fact that when you take on a large number of new men you do have these difficulties, but I should like to know whether any statistics are available, and if so what is their general effect, concerning the number of cases in which disciplinary action has had to be taken. Do the statistics show any trend which should be regarded seriously, or do they indicate an increase in that type of offence as a result of or accompanying the rapid expansion of the force? How is the problem being dealt with?

Mr. Garson: I suppose what my hon. friend means is, is there any increase in the percentage of the total force represented by those who have committed offences of that type?

Mr. Fulton: I do not mean small offences, but offences which would be regarded within the force itself as serious.

Mr. Garson: The commissioner tells me that he has looked into this and that while he has no actual figures he has not been able to discern any noticeable or appreciable increase in offences of that character.

Mr. Nowlan: Mr. Chairman, on the point my hon. friend from Kamloops raised a moment ago about this fine and its remission, I quite agree with the minister that perhaps it was an insignificant part of the total penalty, and with the hon. member for Kamloops that there is no point in enlarging on it at this moment. However, I do think, as the minister said, it is something which is rather regrettable as far as the force is concerned. I think it is rather regrettable that there should have been any suggestion that it could be inferred that possibly this was condoned in some way. I know that was not the intention of the commissioner. I presume you are faced with constables who are in poor financial circumstances, and practically the same result was reached.

I know we are now approaching the hour of five o'clock, but when the item is up again —I presume it is not going to carry in the next few minutes—I should like the minister to be able to give us, for instance, the comparative figures on the strength of the force. We have the estimated strength for this year. What was the strength of the force say 10 years ago. I am somewhat concerned, because I have had something to do with this force in various ways, with the rapid increase and the fact that the junior men feel that perhaps they have to do things today to achieve a reputation and thereby obtain promotion which would be somewhat foreign to the officers and men of 10 or 20 years ago.

One does not want to be critical, but I just throw this out to the minister as a last word at this stage. I was talking to one of the superior court judges the other day, one whom I think the minister knows, and in speaking of the reputation of this force he said that if a senior officer came before him and gave evidence he would not have to be sworn; he would take his word. But if some of these junior fellows come before him and are sworn he still did not believe them because they were too anxious to get a conviction.

Now, with these men coming into the force and belonging to something that is part of the fabric of Canadian tradition, I wonder if it is emphasized that although they have a responsibility for the enforcement of law, they have also a responsibility for maintaining the tradition of this force. If you have 10,000 where once you had 2,000, your chance of promotion may be lessened. There may be a tendency to think that if you get a lot of convictions, get enough scalps hanging from your belt, you will get promotion quicker. I think that is the view of some of the juniors with whom I have spoken. They seemed to express that view.

Mr. Garson: In order that the question which my hon. friend has raised might have the reply right next to it in *Hansard*, might I say that on March 31, 1946, the 10 years ago to which my hon. friend referred, the force had in uniform 2,526 men; special constables, 460; civilians, 212; civil servants, 441, or a total of 3,639. On April 28, 1956, the force had in uniform 4,604; special constables, 347; civilians, 495; civil servants, 912, or a total of 6,358. As my hon. friend knows, the ambit of the responsibilities of the force during that 10-year period has been greatly widened. We have a number of new contracts with provinces; we have a special division, and we have a heavier problem of security. Unless these differences in responsibility are taken into account it would not be fair to base any kind of judgment upon the difference between the 3,639 figure in 1946 and the 6,358 figure for 1956.

Mr. Nowlan: I was not criticizing the increase in the force. I was just suggesting the difficulty in obtaining promotion because there was so much competition.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

PUBLIC WORKS

VANCOUVER—TABLING OF REPORT ON DREDGING IN FIRST NARROWS

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, may I have leave to revert to motions?

The Acting Speaker (Mr. Applewhaite): Is it agreed that the minister has unanimous consent to revert to motions?

Some hon. Members: Agreed.

Mr. Winters: According to the previous undertaking I would like to lay on the table of the house a report entitled "Analysis of Tides and Currents in Burrard Inlet" by W. D. Baines, division of mechanical engineering, national research council.

Mr. Knowles: Is the minister also tabling the document having to do with the breakdown of the $1,500,000 discussed earlier today.

Mr. Winters: I shall do that later, Mr. Speaker. It is only in longhand form at the moment and I wish to have it prepared in better form.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): There is a large number of divorce bills on the order paper today for consideration in the committee of the whole. Under the new standing orders they can all be referred to the committee by one motion. Is that agreed to?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE

Bill No. 161, for the relief of Mona Margaret McCastlin Adams.—Mr. Henderson.

Bill No. 193, for the relief of Dorothy Joanne Campbell Mockeridge.—Mr. Henderson.

Bill No. 194, for the relief of Edna Gertrude Neil Fry.—Mr. Henderson.

Bill No. 195, for the relief of Madeleine Tremblay St. Jean.—Mr. Henderson.

Bill No. 196, for the relief of Stephen Harvan.—Mr. Henderson.

Bill No. 197, for the relief of Charles Lanny Catto.—Mr. Henderson.

Bill No. 198, for the relief of Simonne Trottier Breard.—Mr. Henderson.

Bill No. 199, for the relief of Mary Murray Snook.—Mr. Henderson.

Bill No. 200, for the relief of Ruth Katie Brigden Battersby.—Mr. Henderson.

Bill No. 201, for the relief of Marie Dicerni Arcieri.—Mr. Henderson.

Bill No. 202, for the relief of Laurence Turgeon, otherwise known as Laurent Turgeon.—Mr. Henderson.

Bill No. 203, for the relief of Barbara Allen Deslauriers.—Mr. Henderson.

Bill No. 204, for the relief of Henri Xavier Eugene Bernard.—Mr. Henderson.

Bill No. 218, for the relief of Jeanette Cowan Weinstein.—Mr. Henderson.

Bill No. 219, for the relief of Rina LeBreton Fleurent.—Mr. Henderson.

Bill No. 220, for the relief of Hazel Annie Palmer Martel.—Mr. Henderson.

Bill No. 221, for the relief of Phyllis Matilda Clayton Sawyer.—Mr. Henderson.

Bill No. 222, for the relief of Leonora Cancelli Desgroseilliers.—Mr. Henderson.

Bill No. 223, for the relief of Eugenia Towstuk Podilchuk.—Mr. Henderson.

Bill No. 224, for the relief of Rose Rother Lewartt.—Mr. Henderson.

Bill No. 225, for the relief of Marie Germaine Muguette Andree Brunet Sievert.—Mr. Henderson.

Bill No. 226, for the relief of Joan Noble Rusk.—Mr. Henderson.

Bill No. 227, for the relief of Joseph Edouard Walter Gerard LeBlanc.—Mr. Henderson.

Bill No. 228, for the relief of Marie Jeannine Eda Coderre Azaria.—Mr. Henderson.

Bill No. 229, for the relief of Mary Margaret Florence Bradley Green.—Mr. Henderson.

Bill No. 230, for the relief of Mary Wylie Johnston Haan.—Mr. Henderson.

Bill No. 231, for the relief of Christina Walsh McBrearty.—Mr. Henderson.

Bill No. 232, for the relief of Marie Anne Roy Suess.—Mr. Henderson.

Bill No. 233, for the relief of Ray Israel Lieder.—Mr. Henderson.

Bill No. 234, for the relief of Lillias Cushnie Dowden Grande.—Mr. Henderson.

Bill No. 235, for the relief of Angelina Heylen Thirion.—Mr. Henderson.

Bill No. 236, for the relief of William James Munden.—Mr. Henderson.

Bill No. 237, for the relief of Robert Raymond.—Mr. Henderson.

Bill No. 238, for the relief of Jacqueline Gagne Brothers.—Mr. Henderson.

Bill No. 239, for the relief of Nathan Fishbine.—Mr. Henderson.

Bill No. 240, for the relief of Dorothea Atkinson Bosse.—Mr. Henderson.

Bill No. 241, for the relief of George Evangelinelis.—Mr. Henderson.

Bill No. 242, for the relief of Tatiana Holowko Kuczynski.—Mr. Henderson.

Bill No. 243, for the relief of May McMullin Bjornson.—Mr. Henderson.

Bill No. 244, for the relief of Adrienne Cote Souliere.—Mr. Henderson.

Bill No. 245, for the relief of Imogene Eva Patricia Hayes Knox.—Mr. Henderson.

Bill No. 246, for the relief of Maria Domany Cap.—Mr. Henderson.

Bill No. 247, for the relief of Elfrieda Eggert Nowinski.—Mr. Henderson.

Mr. Regier: Mr. Chairman, I have some questions to ask of the chairman of the committee on Bill No. 192; therefore I would ask you to exempt that one from the general motion.

The Deputy Chairman: Is that agreeable?

Some hon. Members: Agreed.

Mr. Nicholson: Mr. Chairman, we have a batch of over 40 cases here. I do not propose to discuss them all but there are just a few comments I should like to make on a few of them. On Bill No. 221—

The Deputy Chairman: Order. If I just call clause 1 on these bills the hon. member will be in order.

On clause 1—*Marriage dissolved.*

Mr. Nicholson: In Bill No. 221 I find that both the petitioner and the respondent appeared in person. It would appear that the husband walked out after they had been living together for some two years and proceeded to live with another woman. He appeared before the committee, and it was recommended that their divorce be granted.

I realize that in situations like this it is hopeless to repair the damage that has occurred but I consider it unfortunate that we do not have some recourse other than to simply grant the divorce.

Bill No. 228 was heard under the chairmanship of Senator Gershaw. I must congratulate Senator Gershaw again for the very careful work he has done in this committee and in respect to all the cases, the evidence of which I have read. I have a great deal of sympathy for Their Honours the senators as they hear these unfortunate cases. The man involved in this particular case came to Canada in 1948, after the war. After being married for eight months he walked out and left his wife. In her evidence she spoke about the treatment she received at his hands. She was asked the following question:

> Could you tell us how he treated you in those eight months?

She replied:

> Yes. He started beating me very severely with his fists; and after I got pregnant the beating became more frequent—such things as being pushed down cellar stairs and knives thrown at me, and he threatened my life. I had to seek refuge at friends, and I became fearful for my life and the life of the child.

Apparently the husband is now contributing $30 a month toward the upkeep of their daughter who is now four years old. He started living with another woman and is raising a family with her. He appeared before the committee and admitted that everything his wife said was true. I am sure Their

Honours the senators had no alternative but to recommend that the divorce be granted.

It would appear to me that where such an injustice is done to the wife and the little child somebody should take the responsibility for further action to see that justice is done for the unfortunate woman and child.

Bill No. 230 is a rather unusual case. The petitioner in this instance comes from British Columbia. She reported that she had been married some 24 years ago, in 1932. This woman was a particularly good witness. She was asked the following question:

> Will you tell the committee what you think broke up this marriage? You seemed to get along all right until the forties.

Her answer was:

> I think it was just bad luck, and the war separated us. Six years of separation is a long time. That is just about as near as I can make any comment on it.

The conclusion was, of course, that this was another war tragedy. The witness was given very sympathetic consideration by Their Honours the senators. Senator Smith asked:

> Why is it that you come to us with this petition? Why have you not gone through this proceeding in the ordinary course down in British Columbia?

The answer was:

> I cannot get a divorce out there, with my husband domiciled in Montreal.

This brings me to one point, Mr. Chairman. I think equality of the sexes should be established as far as granting divorce is concerned. These people were married in British Columbia; they spent none of their married life in the province of Quebec. As I recall the evidence they were both in Great Britain and Europe for part of their married life; but because the husband now happens to be living in the province of Quebec this unfortunate woman is placed in the position where she must come all the way from British Columbia to Ottawa to have her case presented and the divorce granted. It would seem to me that because this woman was domiciled in British Columbia with her husband for most of their married life, because she married, lived and made a living there, she should not now be obliged to come to Ottawa to place her grievance before us.

In Bill No. 233 we have a development which is occurring more frequently and which is going to eliminate the expense in connection with detectives to a large extent. In this case both the petitioner and the respondent appeared. In Bill No. 234 the respondent and the co-respondent came along. In Bill No. 240 the people concerned managed without any paid detectives.

In the case of Bill No. 243 I find that the evidence was supplied by two members of the Quebec provincial police. If members of the provincial police are available for the securing of information of that kind perhaps that is something people seeking divorces should consider. In the case of Bill No. 244 the respondent appeared. It would seem that if the respondent is ready to admit the charges which are made, that evidence is accepted. It takes a great deal less time than to hear evidence given by paid detectives.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bills reported, read the third time and passed.

[Mr. Nicholson.]

CANADIAN PROVINCIAL INSURANCE COMPANY

Mr. Romuald Bourque (Outremont-St. Jean) moved the second reading of Bill No. 255, to incorporate the Canadian Provincial Insurance Company.

He said: Mr. Speaker, this bill is to incorporate an insurance company, and application is being made by three respected citizens. The capital stock is to be $1,000,000 with $500,000 to be subscribed before they organize. It is intended to carry on a general insurance business, and the bill sets out the classifications of insurance that will be written. They are asking for the right to make application at some time or other to assume the obligations and liabilities within Canada of Monument Insurance Company Limited, having its head office at Stramongate, Kendal, England. Of course that would be done only after acceptance by the Canadian and British insurance companies.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, when the hon. member is closing the debate will he state whether this company is in any way a subsidiary of the Provincial—it is either insurance or assurance—company of England which operates in Canada? Will this company to be incorporated have any relation to that company?

Mr. Bourque: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): If the hon. member speaks now he will close the debate.

Mr. Bourque: This will be a new company and there is no connection with any other company except as stated in the bill.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

The Acting Speaker (Mr. Applewhaite): There are on the order paper divorce bills Nos. 257 to 289 inclusive. Is it agreed

unanimously that second readings will be taken under the one motion?

Mr. Knowles: Would you except from the wholesale operation Bill No. 266, as I should like to say a few words on the second reading of that bill.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, we received the evidence in connection with these bills only a day ago, or at the most two days ago, and I would appeal to the house to allow these bills to stand. The sponsor of the bills is not here, and I am sure no hon. member has had time to read any more than half this evidence.

Mr. Harris: That is quite all right.

The Acting Speaker (Mr. Applewhaite): Perhaps I could put the question on Bill No. 257 and the hon. member could move the adjournment of the debate.

ISLAY ISOBEL CAMPBELL JONES

Mr. H. B. McCulloch (for Mr. Henderson) moved the second reading of Bill No. 257, for the relief of Islay Isobel Campbell Jones.

On motion of Mr. Regier the debate was adjourned.

The Acting Speaker (Mr. Applewhaite): Is it unanimously agreed that the other divorce bills on the order paper shall stand?

Some hon. Members: Agreed.

TRANSPORT ACT

AMENDMENT TO BRING BRITISH COLUMBIA PUBLIC CARRIERS BY WATER UNDER JURISDICTION OF TRANSPORT COMMISSION

Mr. T. S. Barnett (Comox-Alberni) moved the second reading of Bill No. 107, to amend the Transport Act.

He said: Mr. Speaker, I should like to remind the house that the subject matter of this bill is not new as far as discussion by myself is concerned. When the first item of the estimates of the Minister of Transport was under discussion last year I spoke at some length and outlined the problem that exists, in my view, in respect to coastal transportation by water in British Columbia. I pointed out that it appeared to me that this particular form of transportation was almost the only type of transportation in Canada without any proper form of regulation by a public authority.

I do not intend to repeat the remarks I made last year, or for that matter the year before, when the transport estimates were under discussion because they are to be found in *Hansard* of July 20, 1955, at page 6474 and the pages following. However, I should like simply to point out that on that occasion I did mention several examples of the situation in which people had been finding themselves on the coast of British Columbia because in respect to services that are maintained or not maintained, in respect to the rates that are charged or the changes that are made from time to time in those rates. I mentioned as one example how one of the transportation companies had without any prior notice to its patrons increased its rates by 33⅓ per cent. They had discovered it only through invoices which they received later from the firms from which they had purchased goods.

So I thought the time had come when this particular problem should be brought to the attention of the house in the form of a bill to amend the Transport Act to meet, in some measure at least, the situation that exists. The bill itself is a very simple one. It simply removes from the act a part which deletes from the general provisions that are in the act for the regulation of transportation by water, ports or places in the province of British Columbia.

The situation I described last year continues, and the problem affects not only areas I mentioned last year but areas I did not mention at that time. As a further example of the need for some proper action to bring coastal transportation under regulation, I wish to draw your attention in particular at this time to the situation on the west coast of Vancouver island. There a service is in operation by the Canadian Pacific Steamship Company, and has been in operation by that company for a long period of time. In years gone by the service was carried on by a very well known vessel, the S.S. *Princess Maquinna,* which had become quite a tradition on the coast of British Columbia. Over quite a number of years that service was in receipt of a subsidy from the federal government. But at the present time the service is carried on by quite a small vessel known as the *Princess of Alberni,* and no subsidy is being paid.

I might interpolate here that at the present time the only segment of the coastal transport system in British Columbia that does come under any form of government regulation, as far as I am aware, is one of the services operated by Union Steamships, which does receive a subvention from the federal government for the operation of that service and, therefore, is subject to some jurisdiction by the Canadian maritime commission.

In my considered opinion the service being operated at this time on the west coast of Vancouver island is a disgrace to the name of the Canadian Pacific Railway. In fact I would go so far as to suggest that if the

president of the Canadian Pacific Railway Company has any doubts as to the correctness of the statements I have made, he might very well try going out to the Pacific coast incognito and spending two or three months in one of the west coast logging camps. There I am sure he would come to realize, if he had to live in an isolated community depending entirely, as far as supplies were concerned, on the service which is being operated under the banner of his company, that something should be done about that situation.

I have a communication here that is in the form of a petition from one of these west coast communities to which I have referred. I am going to read a short excerpt from their remarks to illustrate my point. This was signed by practically everyone in this community. I shall not read the entire petition, but it says:

> At present we rely solely on the C.P.R. for delivery of groceries, mail and bulk supplies. To say the least, this service is not adequate, e.g. "on December 9 the C.P.R. failed to deliver 11 bags of mail and when asked for this mail the crew replied that it wasn't on board. Later at Zeballos, on this same trip, the Gold River mail was discovered and was then carried back to Vancouver and then to Gold River on December 19, thus making it impossible for residents to send out Christmas parcels on time.
>
> In addition, there are numerous instances of essential supplies not being delivered.

That is merely one example. I am sure that if only 10 per cent of the complaints that have come to my ears in respect to the kind of service presently being offered by the C.P.R. are well founded, the statement contained in this petition is more than borne out. I have heard of a situation arising when people were expecting a new chesterfield, and it happened for some reason or other to be dropped into the salt water and that was the end of it as far as the people were concerned. I have heard of shipments having been made and receipts having been given for them by the sender, but they were never received by the consignee. Apparently there is no recourse whatever in respect to this kind of situation.

Quite frankly I have not found the attitude taken by the officials of this company on the west coast to have been very co-operative. I have had the experience of approaching them and getting the impression that as far as I was concerned as the member representing the people of that constituency in this house, the kind of service that was given was just none of my business. I like to feel that I am prepared to listen to both sides of a question, but certainly my experience in this instance, when I was willing to hear the side of the company, was that I was simply given a rather quick brush-off.

Together with previous statements I have made, Mr. Speaker, that is an outline of some

[Mr. Barnett.]

of the reasons why I feel that I should bring this question to the attention of the house at this time in the form of a bill calling for an amendment to the Transport Act to provide some form of court of appeal for the people who are dependent upon coastal transportation services for all their supplies and transportation.

During the course of looking into the matter I took it upon myself to try to find out something of the background of the present Transport Act, and I discovered that the original act was introduced in the Senate in the year 1937 and was discussed by a committee of that house at that time, but that no action was taken on it in this house that year. However, in the year 1938 a rather modified bill was introduced in this house by the then minister of transport, now Minister of Trade and Commerce (Mr. Howe). I find that some of the remarks he made on moving second reading of the bill are to me at least of considerable interest today. As found on page 1554 of *Hansard* for March 21, 1938, he had this to say in introducing the bill:

> Mr. Speaker, the object of this bill is to promote the stabilization of the transport industry in Canada, in the public interest as well as in the interests of all those engaged in transportation.

Later, as found on the same page, he said:

> It is a matter of public interest that transportation rates be reasonably stable, and applied without discrimination. Experience has shown that publicity is essential to prevent discrimination. Therefore the publicity of rates is a fundamental requirement in this bill.
>
> We also appreciate that our transportation rate structure may break down completely unless some relation is maintained between transportation charges and the abilities of various commodities to stand those charges. There is also the problem of conditions of employment in transportation industries. It will not be a question that it is the duty and interest of all employers to endeavour to maintain reasonable standards of conditions and rewards of employment. The absence of regulation and the resulting uneconomical competition must inevitably bear heavily on the workers, since labour costs comprise such a large proportion of operating expenses. The wide difference in working conditions, as between regulated transportation and unregulated transportation, must be apparent to all. Apart from the effect on labour, the interest of public safety is also involved.
>
> Objections to this bill have taken the form, not that regulation is undesirable, but rather that the means provided by the bill may work hardship in certain specific instances. Many have objected on the ground that the bill will have the effect of increasing rates. I see nothing in the bill which can reasonably lead to that conclusion. The fact is that Canadian railway rates, as established under regulation, are among the lowest in the world, and this has been accomplished notwithstanding the fact that Canada is a sparsely populated country. Regulation should have the effect of lowering rather than raising rates, by tending to eliminate wasteful and destructive competition among the various forms of transportation.

I think some of the statements made in 1938 by the then minister of transport hold equally good today and are applicable to the situation prevailing at the present time in the coastal areas of British Columbia. In looking at the debates of that time, Mr. Speaker, I was also interested to discover that the then member for Comox-Alberni, Mr. A. W. Neill, who represented that constituency in the house from 1921 to 1945, was also very much concerned with this problem. I may say I was also very much interested to discover that the conclusion Mr. Neill came to in 1938, after having had a good many years of experience in the house, was identical with the conclusion I have come to after having given some attention to the problem since I have been the member for that constituency.

Mr. Neill's remarks when speaking on second reading of the bill can be found at page 1560 of *Hansard* for March 21, 1938. He had been referring to some other sections of the bill, and then had this to say:

. . . but the part that I have more interest in is the next:

"5. The provisions of this part shall not apply in the case of ships engaged in the transport of goods or passengers

(a) between ports or places in British Columbia."

As far as we in British Columbia are concerned, that of course entirely annihilates the whole purpose of the bill.

In fact, Mr. Neill was so convinced of the correctness of that position that when the bill was being considered in committee he moved for the deletion of the particular section of the bill which my bill now proposes to delete from the act, that is, the exempting provision in respect of ports or places in British Columbia. Even at that time this was not a new matter as far as Mr. Neill was concerned, and although he was not a member of the standing committee on railways, canals and telegraph lines he took the trouble to appear as a witness before the committee when it was considering the bill. In his statement, as recorded on page 113 of the minutes of proceedings and evidence of the standing committee on railways, canals and telegraph lines of 1938, Mr. Neill had this to say:

Bill B of the Senate of last year, on which the present bill is largely founded, when first introduced contained no such provision excluding the coastal waters, but it was amended to that effect, apparently, by the standing committee of the Senate . . .

A little later he had this to say:

I submit that it is highly desirable that such control should be exercised. The need for it is so apparent, in British Columbia at least, that in 1935 I introduced a bill to amend the Railway Act to that effect, which bill was defeated in the House of Commons. The debate will be found in *Hansard* of February 12, 1935, and later on in *Hansard* of February 22. There is a precedent of long standing for this provision because some 30 years ago the then section 7 of the Railway Act provided that the Railway Act should apply to traffic carried by sea or inland waters between any ports or places in Canada. There was, however, a provision attached to it that it only applied to boats owned or chartered by a railway company.

I was interested in looking back in the record to discover just what that bill which Mr. Neill introduced at that time—that is in 1935—was all about. I discovered that in the course of debate on his bill, in which Mr. Manion, the then minister of railways, participated, it was brought out that while even at that time there had been in the Railway Act for 30 years a section calling for some exercise of control by the board of railway commissioners over water transportation carried on by a railway company, that section had never been put into effect.

As I understand it, that section is still to be found in the Railway Act and is section 363 of the present act. In order to be sure on this point I had a question on the order paper earlier this year which was answered on February 23. I asked whether this section had ever been applied. The answer I received was no. It is therefore apparent that neither as to ships operated by railway companies nor as to ships operated by independent shipping companies is there any form of public control over their operations, as to whether or not they maintain schedules, whether or not they stop giving service to the communities, or as to the question of the rates they may charge from time to time.

The purpose of Mr. Neill's bill back in 1935 was to broaden the application of that section of the Railway Act to include ships which were operated by companies other than railway companies. It was in the course of that debate that it was brought out that the section had never come into operation.

I realize that this whole question of transportation is an extremely complicated matter. I am putting this proposition forward in this amending bill in the hope that the situation which I have attempted to describe may be corrected. In a matter as complicated as this I realize that there may be aspects of the matter which have not occurred to me. To me this is the kind of bill which should be considered in a committee of the house where those concerned, such as transport companies and others, would have the opportunity of making representations. I say this in order to make it perfectly clear that if this bill is successful in passing second reading, as far as I am concerned I should be happy to have it considered by a committee of the house.

Transport Act

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, I am sure the house feels indebted to the hon. member for Comox-Alberni (Mr. Barnett) for having raised this important subject. It is one of considerable complexity, and any change will affect the economy of all those people who live in the scattered communities of the west coast. When I say that we are indebted to the hon. member for having raised the problem, I do not want it to be construed that I am in favour of this bill. I refer only to the importance of the problem. The problem is so important that the royal commission on shipping was given special instructions to inquire into conditions on the west coast of British Columbia.

It is well to get a picture of the types of communities involved and the conditions under which many of them live. Of course we have the great metropolitan area of Vancouver on the mainland. Then there are other cities such as Victoria and Prince Rupert. But along that very indented coastline there are innumerable villages and logging and mining camps, the vast majority of which are dependent upon sea communication for the bringing in of the supplies they need. At least they have been dependent upon sea communications until very recent years. I submit that considerable changes have taken place since this matter was previously discussed in the house in Mr. Neill's time.

In order to give some idea of the kind of shipping and the variety of types of vessels which serve these communities, I should like to give some statistics. From such research as I have been able to carry out I find that there are 54 passenger and freight vessels of a gross tonnage of over 80 tons operating on regular schedules on this coast. That is only one form of shipping. In addition to that, there are some 29 special purpose covered barges of 23,250 deadweight tons and some 310 open scows of 163,200 deadweight tons. They range from 350 tons to 2,000 tons per vessel. There are also some 781 open barges, and 52 towboat companies whose fleet numbers 315 towboats ranging from 100 horsepower to 2,600 horsepower.

That information gives you some idea of the vast amount of shipping there is on the west coast. It also gives you an idea of the range of types of vessels, from tugboats and scows to big steamships, carrying a great quantity of cargo. During 1954—that is the last year for which I obtained any figures—1,209 deep sea vessels entered British Columbia ports. These vessels brought into British Columbia 1,697,168 tons of cargo and exported over 6 million tons. To give some idea of the passenger traffic that is going on, I would point out that during last year in the harbours of Sidney and Victoria combined, 89,398 cars were handled through customs and the number of passengers handled by the customs in Sidney and Victoria combined amounted to 265,915. I think those figures will give some idea of the volume of shipping and the amount of cargo that must be moved.

There is a considerable difference in the way the steamship companies estimate their charges and the way in which the tugboats estimate their charges and rates for carrying freight. The tugboats sometimes have a flat rate from point to point; sometimes a flat rate within a certain zone, but more usually they quote a daily rate and that depends very largely on the length of the tow and the weather conditions.

Now, the towboat industry has developed greatly during the last five years. The steamship companies are facing very serious competition from these towboat companies. Actually some of the runs which previously were profitable for the steamship companies through the gulf islands and up the west coast of Vancouver island are no longer profitable and the companies are faced with the choice of either reducing their services or operating at a loss.

From the steamship point of view, therefore, the officials of these companies feel that they must have freedom of action in making quotations if they are to maintain the traffic level which exists now. They must also be able to make competitive quotations at very short notice, and any attempt to regulate those quotations made by steamship companies in order to compete with towboat companies would present almost insurmountable difficulties.

Then, in addition to the freight and passenger traffic carried by water a new element has entered into the problem, and that is the large number of passengers and freight now carried by the air lines. A lot of freight is carried not only by T.C.A. but the other air line companies operating on the west coast. There is a continual stream of passengers being carried by the air lines. In considering the whole situation, it would be unfair to regulate the rates being charged for freight and passengers on vessels and not impose similar regulations to affect the movement of passengers and freight by air.

It seems to me that if this bill to amend the Transport Act carries, we have to go very much further than is indicated by the bill at the present time. Even if it applied to goods and passengers moving between ports and places on the west coast the smaller vessels would be excluded, and that would mean that many of the towboats, scows,

barges, etc. would be able to operate without any limitation. It should, therefore, not only apply to vessels which are over 100 tons but must be made applicable to this great fleet of smaller craft. If it were made applicable to the smaller craft, then I think it would be impractical to enforce. It must also be applied to passengers and freight being carried by air.

In addition we must remember that Canadian lines and Canadian merchants are in very active competition with the steamship lines and tugboat services from United States ports such as Seattle and elsewhere along the Washington and Oregon coasts. We have vessels from the United States plying between United States ports through Canadian waters to Alaska, and in some cases stopping off at various points along the Canadian coast. I am inclined to think that the competition at present is sufficient to assure equality without introducing further regulations.

I have endeavoured to find out what some of the organizations in my own constituency felt about this matter. I communicated with a number of organizations, some interested and some not biased in any way. I shall not quote what the steamship and tugboat companies have to say, but I think it is interesting to hear the opinion of the chambers of commerce of a couple of small communities.

> We are most emphatically opposed to the amendment. We believe that to bring the public carriers by water under the jurisdiction of the board of transport commissioners would greatly hamper our commerce and progress.

That is a letter I received from the Sidney and North Saanich chamber of commerce, and is signed by the president. I have another expression of opinion from the Sooke-Jordan River chamber of commerce, and I am particularly mentioning the small places. This is what the secretary writes in answer to my inquiry as to how that chamber felt:

> They feel opposed to the proposed legislation outlined as they think it would be detrimental to free enterprise.

Under these circumstances I would suggest that the mover of this bill consider the advisability of allowing it to stand until the report is received from the royal commission on shipping.

May I call it six o'clock?

On motion of Mr. Pearkes the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall take second reading of the amendment to the Judges Act; then the house in committee on the Department of Transport Act; then the Canadian Farm Loan Act; then the Industrial Development Bank Act. If they are carried they may be followed, and of this I am not certain, sir, by the resolution standing in the name of the Minister of National Defence.

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

Questions

ANSWERS TO QUESTIONS

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

ARMED SERVICES—PERSONNEL STATISTICS

Question No. 381—**Mr. Thatcher:**

1. What was the total number of releases of non-commissioned personnel during 1955, for the (a) army; (b) navy; (c) air force?
2. Of those released, how many were of personnel with less than six months' service in the (a) army; (b) navy; (c) air force?
3. Of the releases in (1), how many were at the end of their first term of service in the (a) army; (b) navy; (c) air force?
4. How many non-commissioned personnel reached the end of the first term of service during 1955, in the (a) army; (b) navy (c) air force?
5. What were the total enrolments of non-commissioned personnel during 1955, in the (a) army; (b) navy; (c) air force?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

	(a)	(b)	(c)
1.	7,609	2,401	5,780
2.	356	390	662
3.	3,521	620	1,942
4.	6,975	1,237	6,731
5.	5,556	2,808	6,766

WHARFAGE FEES, N.B. AND P.E.I.

Question No. 402—**Mr. Bell:**

1. Is a wharfage fee charged to fishermen on their lobster cars or crates in New Brunswick and Prince Edward Island?
2. If so, what are the fees and the names and addresses of payees for the last complete year?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1 and 2. Under the government wharves regulations no side wharfage is payable in respect of Canadian fishing vessels during the first 48 hours at any wharf, and no top wharfage is payable in respect of supplies or equipment for use on a Canadian fishing vessel or such vessel's catch of fish when loaded on or unloaded from the vessel.

D.E.W. AIRLIFT—ACCIDENT STATISTICS

Question No. 405—**Mr. Hamilton (York West):**

1. How many accidents of all kinds, to aircraft in Canada, were reported in the period from the commencement of the D.E.W. airlift to the date hereof?
2. How many of the said accidents involved aircraft operating on the D.E.W. airlift?
3. What were the total number of fatalities from all accidents during the said period?
4. What number of fatalities occurred from accidents in planes operating on the D.E.W. airlift?
5. How many planes of Canadian registry were involved in fatal accidents on the D.E.W. airlift?
6. How many planes of foreign registry were involved in fatal accidents on the D.E.W. airlift?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1. 460 reported.
2. 30 reported.
3. 100 reported.
4. 12 reported.
5. 5 reported.
6. None reported.

The above figures refer only to civilian aircraft, as statistics as to accidents to military aircraft are not available. The figures given with respect to D.E.W. line airlift relate to accidents which took place while the aircraft were directly engaged in the supply work for the D.E.W. line.

MULTI-ENGINED AIRCRAFT STATISTICS

Question No. 406—**Mr. Hamilton (York West):**

1. How many multi-engined aircraft of Canadian registry were there in Canada at the time of the commencement of the D.E.W. airlift?
2. How many multi-engined aircraft of Canadian registry are there in Canada as of this date?
3. Of any increase in the said aircraft between the dates mentioned above (a) how many of the additional planes were of Canadian manufacture? (b) How many of the additional planes were imported from foreign countries, what was their country of origin and the number in each case?
4. How many of the said additional aircraft imported into Canada between the dates mentioned above were (a) new aircraft; (b) used aircraft?
5. How many of the said additional aircraft mentioned above were (a) twin-engine aircraft; (b) larger than twin-engine aircraft?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1. 286.
2. 454.
3. (a) None. (b) 24 from Great Britain, 3 from Italy through U.S.A. agency, 141 from U.S.A.
4. (a) 39. (b) 129.
5. (a) 121. (b) 47.

Figures in respect of imported aircraft used in the D.E.W. airlift are as of January 1, 1955, the date generally regarded as the commencement of the D.E.W. airlift.

INDUSTRIAL DEVELOPMENT BANK—DIRECTORS' REMUNERATION

Question No. 422—**Mr. Regier:**

What were the payments to each of the directors of the industrial development bank for the calendar year 1955 for (a) salary or other remuneration; (b) expenses?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

Not of government record.

Questions

BANK OF CANADA—DIRECTORS' REMUNERATION

Question No. 423—**Mr. Regier:**

What were the payments to each of the directors of the Bank of Canada for the calendar year 1955 for (a) salary or other remuneration; (b) expenses?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

Not of government record. The bylaws of the Bank of Canada provide that "the fee to be paid to a director shall be $150 for attendance at board meetings and the fee to be paid the director who is a member of the executive committee shall be $50 for attendance at meetings of the committee, plus, in each case, $50 for each day in excess of one day which a director is absent from his place of residence in order to attend a meeting".

The governor of the Bank of Canada placed before the banking and commerce committee in 1954 a statement of operating expenses of the Bank of Canada from 1944 to 1953, which shows payments of directors' fees and expenses as follows:—

1944	$ 7,150
1945	7,250
1946	6,100
1947	5,600
1948	5,800
1949	5,800
1950	6,750
1951	6,700
1952	7,100
1953	10,050

ARMED SERVICES—PROBATION AND PAROLE RECRUITS

Question No. 425—**Mr. Dinsdale:**

1. How many probationers from Canadian courts were accepted into the armed forces each year since 1950?
2. How many of these successfully completed their probationary term while serving in the armed forces?
3. How many parolees from Canadian penal institutions were accepted into the armed forces each year since 1950?
4. How many of these successfully completed their parole while serving in the armed forces?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. No known probationers have been enrolled.
2. Not applicable.
3. No known parolees have been enrolled.
4. Not applicable.

FOREST INVENTORY SURVEY, NOVA SCOTIA

Question No. 438—**Mr. Kirk (Antigonish-Guysborough):**

1. Is the federal government participating financially with the government of the province of Nova Scotia in a forest inventory survey in Nova Scotia?
2. If so, what is the basis for sharing costs?
3. How much money did the federal government contribute in the past fiscal year, and how much to date?
4. Is the inventory completed?
5. If not, when will it be completed?

Answer by: **Hon. Jean Lesage (Minister of Northern Affairs and National Resources):**

1. Yes.
2. The basis for sharing the costs is a payment of 50 per cent by the federal government and 50 per cent by the province.
3. The federal government contributed $121,616 in the fiscal year 1955-56 and a total of $234,261 to date.
4. No.
5. It is expected that the inventory will be completed by March 31, 1957, with continuing work after that time being devoted to keeping the inventory up to date.

[The following items were passed in committee of supply]:

DEPARTMENT OF PUBLIC WORKS

390. To provide for advance planning of projects including acquisition of sites, $1,500,000.

391. To supplement, on approval of treasury board except where less than $1,000 is required, any of the appropriations of the Department of Public Works, $750,000.

392. To provide for balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1956-57, $650,000.

393. Statue of the late Sir Robert L. Borden, $20,000.

394. Emergency shelter administration, $1,500.

395. To provide for the expenses incurred by Central Mortgage and Housing Corporation in constructing and supervising construction of married quarters, rental housing, schools and related services on behalf of the Department of National Defence, $1,000,000.

Central Mortgage and Housing Corporation—

530. To provide for advances to Central Mortgage and Housing Corporation for the purposes of subsection (1) of section 37 of the National Housing Act, 1954, in respect of housing projects for veterans and for housing projects at Gander, Newfoundland, and at Pembroke, Ontario, for sale or rental, $1,462,000.

DEPARTMENT OF JUSTICE

Royal Canadian Mounted Police—

397. Construction or acquisition of buildings, works, land and equipment, $976,592.

67509—229½

HOUSE OF COMMONS

Monday, May 7, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

LEADER OF THE OPPOSITION—CONGRATULATIONS ON BIRTHDAY ANNIVERSARY

Mr. Speaker: Today is one of those happy days when it is quite cheerfully that I say, "Let the doors be opened." I am sure that we all want to feel that although it is against the rules to bring exhibits into the house we are responsible for the one which is now standing on the desk of the Leader of the Opposition (Mr. Drew) whose birthday anniversary it is. On behalf of hon. members and for myself I wish to extend to him and to Mrs. Drew our best wishes for continued health and happiness and many happy returns of the day.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I had the opportunity earlier in the day of expressing my personal congratulations and good wishes to the hon. Leader of the Opposition (Mr. Drew), but it is a great pleasure to have the privilege of repeating them publicly and assuring him that speaking, I am convinced, for every hon. member of the house we join enthusiastically in the good wishes expressed for us by Your Honour.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to thank you very much and I wish to express my appreciation to the Prime Minister (Mr. St. Laurent) for the good wishes extended to me on this occasion. I do feel that evidence of friendship extended in this way is a happy expression of the real and deep friendships which do exist in this house and which are in no way affected by the sometimes strenuous differences of opinion which are expressed in regard to public affairs. That neither diminishes our convictions in relation to the subjects we are discussing nor does it diminish the effectiveness of our contribution. On the contrary, I think it is a happy thing that all of us with different political opinions may meet here and respect those differences and yet build warm friendships which I hope will last for all of us through the rest of our lives.

APPROVAL OF REPORT RESPECTING COMPENSATION OF PERMANENT STAFF

Hon. W. E. Harris (Minister of Finance) moved:

That the report of the civil service commission, respecting the staff of the House of Commons, laid upon the table of the house Thursday, May 3, 1956, be now approved.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if this would be an appropriate time, before the minister sits down, to make an announcement regarding what may be done with respect to employees of the House of Commons other than those covered by the general civil service increases and those covered by the increases before us in this motion.

Mr. Speaker: May I inform the hon. member that if he looks at *Hansard* of April 9 he will find that I announced then that the board of internal economy had decided that increases in line with those granted to civil service employees will be granted to our sessional and temporary employees.

Mr. Knowles: I appreciated that, as did the entire house. What I am wondering is whether any announcement could now be made as to the amount of those increases.

Mr. Harris: Not at the moment, but we shall make the announcement in due course when it has been arranged.

Hon. George A. Drew (Leader of the Opposition): Since the question has been raised, and without in any way questioning the fairness or the appropriateness by which these have been made, is there any way in which this could be placed before a committee that would consider the various adjustments and the effect of those adjustments in regard to the staff?

Mr. Harris: Mr. Speaker, if I may have permission to speak for a second time, the procedure for setting the wage levels of the employees of the House of Commons is set out in the Civil Service Act and it comes before the house by way of recommendation from the civil service commission, to be adopted or otherwise as the house may deem desirable. If there is any question, after the new schedule is published, that is, of the additional employees who are not covered

by this schedule, I am sure that we could arrange that suitable consideration be given to it, but until the schedule is made available I suggest we might suspend judgment on it and consider it at that time.

Motion agreed to.

LIBRARY OF PARLIAMENT

APPROVAL OF REPORT OF CIVIL SERVICE COMMISSION

Hon. W. E. Harris (Minister of Finance) moved:

That the report of the civil service commission, respecting the staff of the library of parliament, laid upon the table of the house Thursday, May 3, 1956, be now approved.

Motion agreed to.

RAILWAYS, CANALS AND TELEGRAPH LINES

Fifth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

PIPE LINES

FINANCING—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. M. J. Coldwell (Rosetown-Biggar): I beg leave to move, seconded by the hon. member for Vancouver-Kingsway (Mr. MacInnis):

The adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely, the advisability of this house expressing its opinion on the method to be employed in the financing of the western portion of an across-Canada gas pipe line.

Mr. Speaker: The hon. member for Rosetown-Biggar has just moved the adjournment of the house under standing order 26. The matter that he wishes to bring to the attention of the house is:

The method to be employed in the financing of the western portion of an across-Canada gas pipe line.

A matter to be dealt with on a motion of this kind has to be a definite matter. I wonder how definite it is to discuss the method of financing of the western portion of an across-Canada gas pipe line. Furthermore, as hon. members know, there is on the order paper a resolution which has already been taken up in committee of the whole and it certainly deals with the financing of a portion of a pipe line, called the trans-Canada pipe line, in the northern section of the province of Ontario. Of course, if there is to be further financing for another portion of the line another resolution will have to be introduced.

[Mr. Harris.]

At this moment I am asking myself if the purpose of this motion today is not to ask the house to give its opinion on a matter which is usually introduced in the house after notice. A question of financing is one that must be introduced by a resolution recommended by the governor general.

I have no doubt that before the hon. member for Rosetown-Biggar decided to make this move today he looked at the authorities and felt assured that the move was in order. In the circumstances he would certainly be of great assistance to me if he would tell me whether it is his contention, after having looked at the authorities, that whatever I have said so far is, as far as he is concerned, of no value whatever.

Mr. Coldwell: I am very glad to do that. First of all, I will take your point that this matter is already on the order paper. I would draw your attention to the fact that it is not covered by the resolution on the order paper nor by any discussion we have had in the house up to the present time. As for the urgency of the situation, I think that even a casual reader of the press will realize that this matter has some urgency, and because of the apparent internal situation within the government itself it seems to me that the time has arrived when the members of the house should give some consideration to the matter. The urgency is, I may say, also due to the fact that the agreement regarding the trans-Canada pipe line as such has, as far as the province of Ontario is concerned, already lapsed. It is true that there has been an extension by the federal authority but there has been no extension by the government of the province of Ontario.

Since this matter has been under advisement for five years and apparently no conclusion has been reached and because of the state of public opinion regarding it in the country and as shown by the press, I think the time has arrived when, if the government cannot come to a conclusion, this house should take a hand in this very important and serious matter from the point of view of the people of Canada.

Hon. W. E. Harris (Minister of Finance): On the point of order, it seems to me that we are doing by indirection what cannot be done by direction. The leader of the C.C.F. party is seeking to have an expression of opinion in favour of an expenditure of money for a particular purpose which can only be recommended by the government to the house.

Mr. Coldwell: That is not in the motion.

An hon. Member: Who said that?

Mr. Harris: Then I am not just sure what else could be in the motion except that. If my hon. friend makes the point that he does not propose to seek to have the house declare itself in favour of a public ownership system, then I am not aware of what the point of the motion is. In the resolution before the house we are proposing a certain limited form of financing for a part of the line. It has already been indicated by the group for which my hon. friend speaks that they intend to oppose that plan on the ground that they think it ought to be publicly financed throughout. If that is a defence and objection to the resolution on the order paper, then I do not think the rules permit a second debate by having a motion to adjourn the house to discuss that very point.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I point out that the urgency which in our opinion now faces the house and the country relates not to the matter covered by the government motion on the order paper, namely the line through northern Ontario, but rather to getting something done without further delay in western Canada. This motion merely suggests that the house should without further delay discuss the method to be employed in financing a line in western Canada, the purpose being so that the government might have the benefit of the discussion here in the house.

Some hon. Members: Oh, oh.

Mr. Knowles: Hon. members laugh; but the very members who are laughing realize that the government needs the benefit of some advice. Your Honour realizes that the urgency that confronts us today is that unless some action is taken before long the western leg of the across-Canada pipe line cannot be built this year. Because of that urgency we feel that the house should have a chance today to express its opinion in debate on the matter. The Minister of Finance (Mr. Harris) raises the question as to the authority of the house on a private member's motion in the matter of an expenditure of money. It is perfectly correct that a private member could not move a motion involving the expenditure of money. That is the reason we ask not for a decision on a motion but for a chance to discuss this matter so that hon. members may lay before parliament their views on the rumours as to what the government has in mind or their views as to what they feel should be done to get this project under way without further delay.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the Minister of Finance (Mr. Harris) said that this motion apparently intended to do by indirection that which could not be done by direction, if I understood him correctly. As a matter of fact, I think it is the other way around. This motion intends to give the government the benefit of the direction of the House of Commons in order to avoid the results of the indirection that has characterized the government for so long. Hence it is indeed a matter of urgent importance, for we find ourselves today in a position in which every hour, on the hour, the press of this country—and it has been singularly correct in its assumptions and conclusions—is informing parliament as to what has taken place with regard to this matter. I feel that this is a matter of urgent importance in order to clarify the atmosphere and to ascertain the degree to which there has indeed been withheld from parliament information that parliament had a right to receive.

Mr. Harris: Just in order to clear up the final point, Mr. Speaker, may I say this. It seems to me that when the present resolution on the order paper with respect to Trans-Canada is called for discussion, every avenue of discussion with respect to the building, the financing or the like is open to opposition members. It may be true—although I do not think in this house we accept these statements at face value—that it is the case that the western section will not be built this summer unless certain action is taken immediately. But in any event that is not a reason for urgency. The urgency is on the matter of debate and the urgency of debate is only in case there cannot be another occasion for a debate. On the Trans-Canada resolution all these things can be said.

Mr. Regier: You are embarrassed.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, following on the remarks of the Minister of Finance, I would refer you to the actual wording of the resolution on the order paper. You will find that it is a resolution apparently for the introduction of a measure to provide for the constitution of the corporation to be known as the Northern Ontario Pipe Line Crown Corporation. Mr. Speaker, I would be greatly surprised if, when the matter is being debated, the Minister of Finance were not on his feet quickly if some hon. member attempts to debate something beyond the purview of that resolution.

Mr. Harris: It has already been done and I did not object.

Mr. Quelch: I think this motion is a very timely one because it is certainly a matter of urgent importance that work be started on the western end of this pipe line at the very earliest date possible.

Pipe Lines—Financing

Mr. Speaker: May I thank hon. members for the consideration that they have given to this matter. I come back to the point I raised earlier about the word "definite". I am reading the motion now, not because I accept it, but I am reading it to myself in order to analyse the terms—"...adjournment of the house be moved under standing order 26 for the purpose of discussing a matter of urgent public importance." According to standing order 26 the word "definite" means that the matter must be one that is specific and well defined.

In this case we have as the definite matter a reference to a method of financing. Now, how many methods of financing are there, and upon which one is the house going to express an opinion? In debate, it is true, there will be many methods of financing mentioned but I think that the method of financing should have been defined in the motion. Then, the motion refers to an across-Canada pipe line; it presupposes there will be an across-Canada pipe line.

Then, there is the reference to a matter of urgent public importance and I stress the word "urgent". Hon. members have referred to the urgency of having a pipe line built across western Canada. Hon. members know that here the word "urgent" does not apply to the project itself but it applies to the debate. Is there urgency of debate? The hon. member for Rosetown-Biggar (Mr. Coldwell) said this matter has been under consideration for five years, and between now and the end of the session there will be other opportunities for debate.

I would ask hon. members to look at citation 176 of Beauchesne's third edition, page 77, which reads:

> The "definite matter of urgent public importance", for the discussion of which the adjournment of the house may be moved under standing order 31,—

That is now standing order 26.

> —must be so pressing that public interest will suffer if it is not given immediate attention.

I ask hon. members, is the method of financing a matter that is so pressing that the public interest will suffer if it is not given immediate attention today?

Mr. Knowles: Yes.

Mr. Speaker: The hon. member and I may feel that way, that whatever is on the order paper today appointed for discussion should be put aside in order to discuss this matter. The urgency of this motion applies to the debate, and I am inclined to think there will be opportunities shortly for the discussion of this matter. Of course, it is of public importance and it is urgent in the sense that all Canadians wish to keep things moving. We are a progressive, expanding country, and we all want to do things as soon as possible. But is there urgency of debate in connection with this motion? I am inclined to think there is not.

[Mr. Quelch.]

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, may I ask a question—

Mr. Speaker: I have heard comments from several hon. members, and when I rose I took it that all those who had something to offer had expressed their views. I believe hon. members will have to bear with me when I say that I think if they do not want to be too harsh on their Speaker they will have to consider whether or not, every time he makes a ruling, they have to argue every point he puts forward. I am making a ruling now and it is not debatable nor appealable. Let us stop having that traditional rule that Speaker's rulings are not debatable be an illusion.

The other point I wish to make is that the matter must be one of recent occurrence. This is a matter that has been dealt with everywhere, in the press and in this house for many, many months now. I come to the conclusion that in my humble view this is not a matter of urgent public importance in the sense which is traditionally the one known to be the sense in standing order 26 and therefore I do not accept the motion.

Mr. Coldwell: Did you say that your ruling would be appealed, Mr. Speaker? That is not my understanding. If it is your opinion it can be appealed—

Mr. Speaker: No. We settled that on Friday. I want to say that precisely because of the strength the hon. member gave me I feel fortified and I can assure him that as far as I am concerned any decision that I make under standing order 26 will not be appealable as long as I am Speaker. That is quite definite.

MOTIONS FOR PAPERS

PASSAMAQUODDY PROJECT—ECONOMIC FEASIBILITY SURVEY

Motion No. 70—**Mr. Brooks:**

For a copy of all letters, telegrams, memoranda and other documents exchanged during the past three years between any department or officials of the federal government and the international joint commission, the government of the United States of America, and any other government or organization or individuals, relating to a survey or surveys of the economic feasibility of the development of the Passamaquoddy tidal power project.

Hon. L. B. Pearson (Secretary of State for External Affairs): This correspondence will be produced subject, of course, to the usual rules of privilege regarding international communications.

Mr. Brooks: May I ask the minister what he means by "international communications"? Does he mean that as long as the consent of the United States is given their correspondence can be produced but the correspondence of the international joint commission cannot be produced? Is that what the minister means?

Mr. Pearson: Mr. Speaker, in so far as the correspondence with the United States government is concerned, naturally the consent of that government will have to be obtained. In so far as international joint commission correspondence is concerned, it has been customary to regard correspondence of this international agency as privileged in this house.

Mr. Brooks: I would like to ask—

Mr. Speaker: This motion is not debatable. Does the hon. member wish me to call the yeas and nays?

Mr. Brooks: On a question of privilege—

Mr. Speaker: It will be a fraudulent question of privilege. However, I will allow the hon. member to make his point.

Mr. Brooks: My point is this. If the United States gives permission to produce their correspondence I do not see why correspondence of an international body composed of members from the United States and Canada cannot be produced. I do not see why United States permission cannot be obtained to produce correspondence of the international joint commission. It is very important.

Mr. Speaker: This will have to be explored on other occasions. When the hon. member wishes to have his motion debatable he will put it on the order paper without an asterisk. Is it the pleasure of the house to adopt the motion subject to the remarks made by the minister?

Some hon. Members: Agreed.

Motion agreed to.

BURLINGTON CANAL BRIDGE

Motion No. 74—**Mr. Reinke:**

For a copy of all letters, telegrams and other documents exchanged, from January 1, 1950 to date, between the Minister of Public Works and the minister of highways of the province of Ontario, regarding the high level bridge over the Burlington ship canal.

Hon. Robert H. Winters (Minister of Public Works): I have no objection to this motion carrying subject to the usual reservation about first communicating with the government of Ontario.

Mr. Speaker: Motion agreed to, subject to the reservation of the minister.

NATIONAL HEALTH INSURANCE, N.B.

Motion No. 75—**Mr. Stuart (Charlotte):**

For a copy of all letters, telegrams, memoranda and other documents exchanged during the past year between any department or official of the provincial government of New Brunswick and the Department of National Health and Welfare, relating to the proposed federal plan for national health insurance.

Mr. Robertson: We are prepared to accept this motion subject to the usual reservation of communicating with the government of the province of New Brunswick.

Mr. Speaker: Motion agreed to, subject to the reservation of the parliamentary assistant.

PENITENTIARY RIOT, SASKATCHEWAN

Motion No. 76—**Mr. Diefenbaker:**

For a copy of any report furnished to the Department of Justice in connection with the causes of the riot which took place in the Saskatchewan penitentiary at Prince Albert in July, 1955.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, following the riot in question charges were laid against 30 persons who were implicated. Of those, 18 have been convicted, 8 have been acquitted and 4 still remain to be tried. We would prefer not to publish this report at the present time for fear that it would prejudice the trial of these other cases. For that reason I would ask my hon. friend who has moved this motion if he would agree to our not complying with it for the time being. I have no hesitation in saying that I shall be glad to show it to him personally if he would like to see it.

Mr. Diefenbaker: In view of the fact that the publication of this report might be prejudicial to the trial of the cases still outstanding I accept the minister's suggestion and would ask that the motion be dropped subject to the right to reinstate it later on.

Motion dropped.

GRAND PRE PARK, NOVA SCOTIA

Motion No. 78—**Mr. Nowlan:**

For a copy of all letters, telegrams, memoranda and other documents exchanged, during the past

three years between the Minister of Northern Affairs and National Resources, or any other minister or official of the government of Canada, and any person or persons, corporations or organizations whatsoever, respecting the acquisition and/or use and occupancy by the government of Canada, or any agency thereof, of the park at Grand Pré, in the province of Nova Scotia, heretofore operated by the Dominion Atlantic Railway Company.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I have had some correspondence with the premier of Nova Scotia in connection with this matter. I would agree to the motion subject to the usual reservations in that regard.

Motion agreed to.

PIPE LINES

TRANS-CANADA PIPE LINES—REFERENCE TO COMMUNICATION FROM MR. MCMAHON

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister if he has informed himself regarding the message from the Minister of Trade and Commerce to Mr. Frank J. McMahon and, if so, will he inform the house what the details of that communication were?

Right Hon. L. S. St. Laurent (Prime Minister): No, I cannot inform the house what the details of the communication were. I understand that there was a telephone communication in which the Minister of Trade and Commerce asked Mr. Frank McMahon if he would allow the removal of the notation "private and confidential" which had been placed on the communications he had addressed to the Minister of Trade and Commerce. In reply to that telephone communication there was a telegram which was tabled in the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I ask a supplementary question. I have now seen the correspondence and I should like to ask the Minister of Trade and Commerce if he replied to those letters in any way. They were not replied to in writing.

Right Hon. C. D. Howe (Minister of Trade and Commerce): No.

Mr. Coldwell: No correspondence?

Mr. Knowles: Careful now.

Mr. Howe (Port Arthur): I may have acknowledged them, I am not sure.

Mr. Coldwell: That is the point I have in mind. There is no acknowledgment included in the file and I know the minister's usual courtesy is to reply.

[Mr. Nowlan.]

Mr. Howe (Port Arthur): I shall see if I can release myself from the "private and confidential" seal; if there are any I will see that they are tabled. I asked the department to table the McMahon correspondence and as they did not table anything from me, if there is anything I will be glad to table it.

Mr. Coldwell: If there is an acknowledgment I think the minister would be wise from his own point of view to file that.

Mr. E. D. Fulton (Kamloops): In the telephone conversation referred to on May 3 did the minister make it clear whether he was calling in his capacity as a minister of the government or in his private capacity as "good old C. D."?

Mr. Howe (Port Arthur): There is nothing very secret about my telephone conversation. I called him and I said, "This private and confidential correspondence with me seems to be no longer private and confidential." I asked him if he could explain that and he said that he had given out two other copies of the private and confidential letters. That was my first knowledge of that. I said, "I hope you realize the 'private and confidential' can no longer stand and that you have now put in an official offer to the government." He said, "Is that the case?" I said, "Yes." He said, "I am being driven nearly frantic here with telephone calls; what do I do?" I said, "That is up to you to decide; all I am asking you now is that the 'private and confidential' be withdrawn." He said it was and that ended the conversation.

Mr. Fulton: In which capacity was it carried on, by the minister as minister or by the minister personally?

An hon. Member: Sit down.

Mr. Fulton: I think that is something we are entitled to know in view of what was said last Friday that this was not regarded as an offer to the government.

Mr. Drew: May I ask the Minister of Trade and Commerce if at that time Mr. McMahon indicated to him that he had learned that Trans-Canada Pipe Lines were in a privileged position and was there any discussion about the fact that it might embarrass the operation if the McMahon offer was not withdrawn?

Mr. Howe (Port Arthur): No, Mr. Speaker, nothing whatever was said of that. I can assure my hon. friend of that. I simply referred to the question that I asked. I asked him if he would permit me to disregard the "private and confidential". I may say that I had previously explained to Mr. McMahon that it was hopeless to have letters

of that kind marked "private and confidential". He wanted it kept that way until he could formulate a more definite proposal. That was his original reason for writing me a private and confidential letter.

Mr. Coldwell: When was that?

Mr. Howe (Port Arthur): I do not know the date, but it was the date of the second interview I had with him. I had two interviews with him, both in the presence of my assistant deputy minister. It was at the second interview that he brought along the letter marked "private and confidential" which I tabled. It was the first letter. I said, just to have no doubt about it, "You want this private and confidential, will you please initial the 'private and confidential'?" which he did.

Mr. Coldwell: Did he think when he was discussing the matter with you in the presence of your assistant deputy minister that he was discussing it with you personally in a confidential manner or as a member of the government?

Mr. Howe (Port Arthur): That letter was addressed "Dear C.D.".

Mr. Coldwell: It was addressed "Right Hon. C. D. Howe, Minister of Trade and Commerce." That is the thing that puzzled me. The minister says the assistant deputy minister was there, so it would not be a personal and confidential interview with Mr. McMahon as the letter indicated.

Mr. George H. Hees (Broadview): During the conversation with Mr. McMahon was there any indication to Mr. McMahon that he should disengage himself from his offer or did he indicate his disengagement from his offer? Was the telegram which arrived very shortly after the conversation a complete surprise to the minister?

Mr. Howe (Port Arthur): Yes, the contents were a surprise.

Mr. Hees: Was there no mention of his disengagement from his offer during the telephone conversation?

Mr. Howe (Port Arthur): The conversation was very short, as I indicated. He did say he was very unhappy about his position.

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Minister of Justice whether an agreement has been entered into between the government, represented by the Minister of Trade and Commerce, the Prime Minister and the Minister of Finance (Mr. Harris) with Trans-Canada Pipe Lines whereby at the end of nine months, unless Trans-Canada Pipe Lines has put its line through to Winnipeg, the government will take over? Was that decided on Saturday last and was such an agreement drafted?

Hon. Stuart S. Garson (Minister of Justice): I would assume that my hon. friend, as a distinguished lawyer, is aware that in the absence of authority from this parliament no such contract as he relates would be possible.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Is Blair Fraser of *Maclean's* magazine correct in his statement that if Trans-Canada Pipe Lines do not start building the pipe line soon the government will do it under public ownership? If so, how soon will this begin? May I have an answer from good old C.D.?

Mr. Howe (Port Arthur): Why not get the answer from Blair Fraser? He must know the source of his information. Why not ask him?

Mr. Hees: I should like to ask a question of the Prime Minister. Was there sufficient agreement in the meeting held by the cabinet Saturday morning to make possible the bringing forward of the debate on the pipe line early this week?

Mr. St. Laurent (Quebec East): There was no meeting of cabinet Saturday morning. I did have a conversation Saturday morning with certain of my colleagues, as I frequently have even on Saturday and sometimes on Sunday, when we discuss matters about which each one of us has to make up his own mind; and that is what took place Saturday morning.

Mr. Hees: Could the Prime Minister indicate to the house if it will be possible to bring this debate forward early this week?

Mr. St. Laurent (Quebec East): I hope it will be possible to bring this debate forward and to have all such information disclosed as will satisfy the natural curiosity that is promoted by what has been published in the newspapers and broadcast over the radio.

Mr. Diefenbaker: And found to be correct.

Mr. St. Laurent (Quebec East): I shall be very happy to have this done just as soon as we can reach that point.

Mr. Diefenbaker: Then I should like to ask a question of the Minister of Mines and Technical Surveys. Did he on Saturday communicate with any gas companies with a view to ascertaining whether or not these gas companies in the far middle west in the United States would be prepared to purchase amounts less than 400 million cubic feet of

gas per day from Trans-Canada Pipe Lines at the same price as they are willing to pay to the McMahon interests?

Hon. George Prudham (Minister of Mines and Technical Surveys): On Saturday more than one member of the cabinet had a telephone call from a certain gentleman representing a gas company in the mid-west, and as yet I have not had the opportunity to report my conversation to my colleagues. I do not care to make any comment until I have had that opportunity.

Mr. Macdonnell: It was not private and confidential?

Mr. Carl O. Nickle (Calgary South): I should like to direct a question to the Minister of Trade and Commerce. Did the minister obtain from Mr. Frank McMahon an explanation as to why the minister was bound by a private and confidential commitment on the letters addressed to him by Mr. McMahon when, concurrently with the sending of those letters to the minister, copies of those confidential letters were submitted by Mr. McMahon to other parties, through whom the information reached the press and public?

An hon. Member: Who are the other parties?

Mr. Howe (Port Arthur): That is a very good question. I could have become quite indignant about that, but I was too disgusted to pursue the subject.

Mr. Drew: May I ask a question of the Prime Minister? At any time that the extension of the agreement with the Trans-Canada Pipe Lines was under consideration prior to April 30, was the Prime Minister aware of the fact that there was a firm offer by Mr. Frank McMahon in regard to the construction of the pipe line?

Mr. St. Laurent (Quebec East): No. As I said the other day, I did not consider that there had been a firm offer from Mr. Frank McMahon at any time. It was not to my knowledge that there had been or that there has been any firm offer made by him at any time.

Mr. Drew: Does the Prime Minister not think it was a matter of importance that the government should know that there was an offer at the time it was dealing with the extension of a contract which was then terminating on April 30?

Mr. St. Laurent (Quebec East): If there had been any responsible Canadian who had wished to make an offer to the government at that time, it would have been of interest to the government to have that offer.

[Mr. Diefenbaker.]

Mr. J. M. Macdonnell (Greenwood): I should like to ask a question of the Minister of Trade and Commerce. Why did the minister not answer any of the letters, of April 4, April 16 or April 24, from Mr. Frank McMahon?

Mr. Howe (Port Arthur): The reason was that I understood they were preliminary to a formal proposal. As the formal proposal did not arrive, I saw no necessity to write to him. As a matter of fact, one of the letters, the first one, was presented by Mr. McMahon in person, and it did not seem that an acknowledgment of that letter was necessary. The other two were simply follow-ups, and it seemed to me that no acknowledgment was necessary.

Mr. Knowles: Mr. Speaker, may I direct a question to the Minister of Finance? Did the Minister of Finance receive a telegram from Mr. Jack St. John, Liberal M.L.A. for Winnipeg Centre, asking for a reply indicating what is happening with regard to the western leg of the pipe line? Can he say what reply he gave to Mr. St. John?

Hon. W. E. Harris (Minister of Finance): Yes, I received a telegram, I think, on Thursday. I regret to say that, because of having to sit in the house listening to questions, I have not been able to answer it yet.

[*Later:*]

On the orders of the day:

Mr. Fulton: May I ask the Prime Minister if he will inform the house, and indeed the country, how it is possible to make an offer to the government otherwise than through the responsible minister?

Mr. St. Laurent (Quebec East): By addressing an offer to a responsible minister and not marking it "private and confidential".

Mr. Fulton: Then does the Prime Minister take the position that any correspondence marked "private and confidential" cannot contain a firm offer?

Mr. St. Laurent (Quebec East): If it is expressed in the letter that though the letter itself is marked "private and confidential" the offer that it contains is intended to be made public, that procedure could be followed.

Mr. Fulton: Then the Prime Minister will admit that the mere marking of the letter "private and confidential" does not detract from the firmness of the offer?

Mr. St. Laurent (Quebec East): The Prime Minister has no admissions to make to the hon. gentleman. I am trying to state to him my appreciation of the questions he has asked me, but I am not accused of anything and I am not pleading guilty or not guilty.

Mr. Diefenbaker: Except lack of knowledge.

Mr. St. Laurent (Quebec East): Furthermore, I do not think the terms used by the hon. gentleman are appropriate to the obtaining of information through the medium of questions and answers on the orders of the day.

Mr. Fulton: Perhaps the Prime Minister, when he has thought the matter over at his leisure—

Some hon. Members: Question.

Mr. Fulton: —might himself decide what terms would be appropriate to give the information sought in answer to the question—

Some hon. Members: Question.

Mr. Fulton: —how one makes an offer to the government except through a responsible minister and whether the marking of a letter "private and confidential" detracts from the firmness of the offer.

Mr. St. Laurent (Quebec East): I think it does, Mr. Speaker, if the notation "private and confidential" is placed in such a manner as to cover the whole contents of the letter. That is all.

Mr. Speaker: I think all hon. members will agree that the through-put of questions on pipe lines has been pretty considerable. Does the hon. member for Winnipeg North Centre wish to pursue the "private and confidential" matter?

Mr. Knowles: No, but I have one other question.

Mr. Speaker: I suppose because I am asking hon. members to change to other subjects they will think that I am pretty severe. I think they ought to consider the sort of free-for-all we have had up to this time.

Mr. Knowles: May I ask a question—

Mr. Speaker: Not on that subject.

Mr. Knowles: Not on the "private and confidential" subject, no. This is quite out in the open. I should like to ask a question of the Prime Minister. Did the Prime Minister receive a telegram from Mr. Jack St. John—

Some hon. Members: Order.

Mr. Knowles: —of Winnipeg, similar to the one received by the Minister of Finance—

Mr. Speaker: Order. I think we have had enough of that.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: The matter is bound to come before the house at a time when a motion will be under discussion and there will be a full debate. Hon. members will have full rights to speak, each in his turn, for 40 minutes. Then if an amendment is proposed they will be able to speak, each in his turn, for another 40 minutes. Then if that amendment is disposed of and another amendment is moved they may speak, each in his turn, for another 40 minutes. They will have plenty of opportunity to speak, so let us wait for that time. The hon. member for Lambton West.

Mr. Knowles: Mr. Speaker, with great respect, may I suggest that I am not seeking to pursue—

Some hon. Members: Order.

Some hon. Members: Sit down.

Mr. Knowles: —any aspect of the question that has been before the house to date. I am asking something that is entirely different, whether the Prime Minister received a telegram from a certain public individual, a Liberal M.L.A. in Winnipeg, and if the Prime Minister received that telegram what reply he made to it. I submit this is of public interest and that I have a right to expect a reply from the Prime Minister.

Mr. Speaker: Does the hon. member, who has asked a similar question of the Minister of Finance, think that this special period set aside for oral questions without notice and answers thereto is for the purpose of ascertaining whether a certain telegram, of which he has knowledge, has been received and what reply has been made to the sender? He could telephone the Prime Minister's office and find out.

Mr. Knowles: Mr. Speaker, the knowledge to which Your Honour refers is knowledge obtained from the press. Precisely because the Minister of Finance did not reply to the telegram he received I think we should know whether the Prime Minister replied to the one addressed to him.

Mr. Speaker: This reminds me of a statement I made not very long ago on the matter of asking questions based on reports appearing in the press. Beauchesne says that if a member bases a question on a report that has appeared in the press he must make himself responsible for its accuracy. I said at that time that as there was no penalty for irresponsibility I did not think the rule meant very much and that the citation was meaningless. It so happens that I was told that it was not meaningless. I received private and confidential advice from a very high authority to the effect that when

a member uses a press report he must make himself absolutely responsible for its accuracy and if it turns out that the report on which he bases himself in putting his question to the house is not accurate he is abusing the rules of the house. Now that I have had that advice, which is contrary to what I had thought was the correct interpretation of the citation, I should like hon. members to think that one over because it seems to me that the practice is wrong.

Any newspaperman who is not a member of the house may write anything in the newspapers that he feels like writing. If hon. members are to take for granted that because a certain statement has appeared in the press it is right and they do not make themselves responsible for whatever questions they base on such articles and ask such questions in the house, we are going to lose a tremendous amount of time. See citation 303, Beauchesne's third edition.

Mr. Knowles: Mr. Speaker, my first question was asked without any reference to the press. That came in later. My original question was a very simple one to the Prime Minister, and I should like his answer.

Mr. St. Laurent (Quebec East): Yes, I did receive a telegram from the gentleman the hon. member has referred to in which he said that he was making the telegram available to the press. As I did not remember that I knew the gentleman personally—

Mr. Knowles: He is just a Liberal M.L.A.

Mr. St. Laurent (Quebec East): There are Liberal M.L.A.'s and many other Liberals throughout the country whom I admire but whom I do not know personally. I gathered from the tone of the telegram that he wished an answer that would also be delivered to the press and as I did not have an answer that I wished to be published at that time I was, in the face of that telegram, in the same position that I am in in the face of several of the questions that have been asked me in the house. I have not a reply yet.

Mr. Fulton: Do you admire the particular Liberal M.L.A. referred to?

Mr. Knowles: The confusion is still confounded.

TRADE

REPORTED INCREASE IN OVER-ALL TRADE DEFICIT

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to ask the Minister of Trade and Commerce a question on a totally different subject. Would he care to comment to the house on the trade figures published over the week end by the dominion bureau of statistics showing that in Canada exports were $21,700,000 less in March than they were in March 1955, and imports were $89,700,000 greater than in March 1955, giving an over-all trade deficit six times greater than in March a year ago?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have made inquiries. The figures were certainly unexpected. I am told, that, as these are only preliminary figures, it is very likely due to delays in reporting of exports and imports at the end of the fiscal year. I do not know just what effect the timing had, but I am finding out, and if there is anything unusual I shall be glad to report it. I may say that it looks as though there was something wrong, because the fall in dollar balances was very small indeed and not at all consistent with the apparent difference in the trade figures.

BUSINESS OF THE HOUSE

ORDER OF BUSINESS FOR TODAY

On the orders of the day:

Hon. W. E. Harris (Minister of Finance): May I say that on Friday night I announced certain business for today. I suggested that the Minister of National Defence might go on with his resolution. That has not been possible to arrange. After those items have been disposed of that I mentioned, we shall take the National Housing Act, the Canadian Citizenship Act and the resolution with respect to the Canadian National Railways.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON NORTH ATLANTIC TREATY ORGANIZATION COUNCIL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): May I direct a question to the Secretary of State for External Affairs? I think he will allow me to congratulate him on having been chosen one of the "three wise men". Having done that, I should like to ask the minister whether he would give to the house a general report on the activities of the council; and, if unable to do that today, would he say whether or not the progress made towards the implementation of article 2 was disappointing in that no final or tentative conclusion was arrived at by the member nations.

Hon. L. B. Pearson (Secretary of State for External Affairs): I hope I may be excused from giving a considered report on the council meeting, which ended only yesterday morning at 1.30 o'clock in Paris. I would be glad to do that at the very first opportunity. I may say at once, however, that, in regard

to the discussion of non-military co-operation in the NATO council, I think we were all encouraged rather than otherwise by the results of that discussion.

WATER RESOURCES

REFERENCE TO DIVERSION FROM ALBANY RIVER BASIN

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to direct a question to the Secretary of State for External Affairs. Perhaps he could take it as notice. Have any representations been made to him by anyone respecting the diversion of water from the Albany river drainage basin, which drains into Hudson bay, into the great lakes? If so, what answer has he made?

Hon. L. B. Pearson (Secretary of State for External Affairs): I do not know of any such representations. I will be glad to look into the matter.

AIR TRANSPORT

D.E.W. LINE—AIRWORTHINESS OF AIRCRAFT EMPLOYED

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): May I direct a question to the Minister of Transport? Has he received a copy of the rather serious report issued by the Canadian Association of Pilots regarding the manner in which supplies have been taken to the D.E.W. line and commenting on the loss of life incurred by airplanes that were not airworthy? Has the minister received such report and, if so, could he tell the house whether further inquiries will be made into the somewhat serious charges contained in that report?

Hon. George C. Marler (Minister of Transport): I should like to say that I received the report only this morning, though it appears to have been already rather widely circulated in the press.

Mr. Coldwell: Will the minister comment on the report later when he has read it?

Mr. Marler: When I have had an opportunity of ascertaining the truth of the statements made in the report and of having them examined, I shall be glad to make a statement.

EDUCATION

REQUEST FOR INCREASE IN FEDERAL GRANTS TO UNIVERSITIES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Finance. In view of the announcement by the University of Toronto that they are raising their student fees, would the minister recommend to his colleagues an increase in federal grants to universities?

Hon. W. E. Harris (Minister of Finance): This is the usual question as to my intentions with respect to expenditures, which will only be made known when they occur.

FISHERIES

SEIZURE OF CANADIAN VESSELS ON LAKE ERIE

On the orders of the day:

Mr. H. R. Argue (Assiniboia): I should like to direct a question to the Minister of Fisheries. Can the minister say whether a Canadian fishing vessel on lake Erie was fired upon and hit three times by a United States patrol? Also can the minister say whether the Ontario fishermen's association lodged a protest with the federal government over what the manager has termed an unprovoked and unnecessary attack on a Canadian craft?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, if the hon. member refers to Friday's *Hansard* he will find that I answered the hon. member for Oxford (Mr. Nesbitt) with regard to that matter.

Mr. Argue: Mr. Speaker, is it still the minister's opinion that the shot that was fired went over the bow, as he suggested last Friday, and did not in fact hit any vessel?

Mr. Sinclair: Mr. Speaker, for the information of the hon. member from the prairies may I say that shots are not fired over the bow; they are fired across the bow. As I reminded the house on Friday, this is the accepted way of halting a ship in order to put it under arrest. Our own ships on both coasts do it with regard to our Canadian nationals and also with regard to American nationals who occasionally drift across our boundaries. Just as the police, in order to stop motor vehicles, sound their sirens, in the case of vessels a shot is fired across the bow.

Mr. Argue: May I ask the minister whether the T.V. report and picture of a Canadian ship alleged to have been hit three times is in fact incorrect?

Mr. Sinclair: Mr. Speaker, I recall that a week or two ago my colleague the Minister of National Defence spoke about a television broadcast on that United States aircraft which was forced down. That broadcast was arranged long after the occurrence. I suspect that the T.V. broadcast of this shot was also arranged long after the occurrence. It is quite obvious that no T.V. cameras were out at the time of the arrest.

JUDGES ACT

AMENDMENT TO PROVIDE SALARIES FOR ADDITIONAL JUDGES IN QUEBEC AND BRITISH COLUMBIA

Hon. Stuart S. Garson (Minister of Justice) moved the second reading of Bill No. 252, to amend the Judges Act.

Mr. G. H. Castleden (Yorkton): Before this motion is carried, Mr. Speaker, I just wish to refer to a statement which was made on Thursday last during the debates. At that time I took exception to the remarks made by the hon. member for Prince Albert (Mr. Diefenbaker) who inferred that probably the action of the provincial government in reducing the number of their judges was not motivated entirely out of consideration for the relative demands of justice nor for the necessity that justice be obtained with all possible speed. I made objection at that time. Since that time I have been in contact with the attorney general of the province. He issued a statement to the effect that the hon. member for Prince Albert was wrong on a number of points. First, it was not within two years that the legislation was passed but that it was passed in 1951—

Mr. Diefenbaker: That is right. It was in 1951.

Mr. Castleden: —and not in 1953 which would be two years ago. The second point on which he was wrong was in the inference that the Saskatchewan government, in reducing the number of judges of Queen's Bench was in some way taking action to prevent the appointment of a judge who was a member of this house. The hon. member for Rosthern (Mr. Tucker) was at that time the leader of the Liberal opposition in the province of Saskatchewan. I do not think he had any intention of trying to become a member of the bench or to be appointed to the bench. At that time he was doing his best to become premier of the province of Saskatchewan. He fought very hard and I think he probably put up a good fight. But we cannot take the charge that the government of Saskatchewan was moving in any way to hurt the administration of justice in that province. As a matter of fact, while the hon. member for Prince Albert states that he might be desiring to become a member of the bench or to be appointed thereto, I think it should be pointed out that at that time when the hon. member for Rosthern was sitting in the house in the province of Saskatchewan and when this legislation was brought down, he supported it as every member of the Liberal party in Saskatchewan at that time supported it. It should also be pointed out that the attorney general in the province of Saskatchewan and the government of that province were acting entirely in the best interests of the province. As the attorney general stated in his press release:

> We felt in the public interest and in fairness to the taxpayers, as each judge costs nearly $20,000 annually, that the number of judges should be kept in line with the judicial work to be done. Apparently Mr. Tucker agreed because as house leader of the Liberal opposition he voted for the legislation as did all Liberals in the house.

I think the hon. member for Prince Albert would perhaps like to get to his feet and state that it was not his intention to cast any reflections on the province of Saskatchewan and their motives in having the number of judges reduced in that province at that time.

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

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Applewhaite in the chair.

Clauses 1 and 2 agreed to.

On the title:

Mr. Fulton: Just before the title carries, Mr. Chairman, will you just give me one moment? May I ask the minister when this amendment will come into effect? Will it be effective immediately on passing?

Mr. Garson: Yes.

Mr. Castleden: I have one question I should like to direct to the minister. I can hardly be charged with having ulterior motives in asking this question since I belong to neither the Liberal nor Conservative party. I wonder whether the minister is aware of any case in which a Liberal government ever appointed a Conservative lawyer to the bench or in which a Conservative government ever appointed a Liberal lawyer to the bench? If so, in how many cases?

Mr. Diefenbaker: That must be a witticism.

Mr. Garson: If the hon. member will refer to a rather lengthy speech which I made in this house about four years ago—I can give him personally the *Hansard* reference—he will see quite a long statement there by me in which I outlined all of the Conservative lawyers who had been appointed to the Supreme Court of Canada and to the courts of the various provinces. If it is not invidious, I may say that one of the points I then made was that Liberal governments had appointed more Conservatives than Conservative governments had appointed Liberals.

Mr. Castleden: How many more?

Mr. Garson: About three times as many.

Mr. Knowles: How did they pan out?

Mr. Diefenbaker: I do not want to enter into that controversy because that was one of the witticisms of the minister. I do not want to enter into any discussion of it. I want to ask him one question, though. Has he at any time in the last six years asked any provincial government to reduce the number of superior court judges in any province in this dominion?

Mr. Garson: Mr. Chairman, the answer is no. The reason for that is that under the British North America Act the province's power to administer justice, to create and to set up provincial courts in the provinces, and to name the number of the judges who are to be in those courts is one which this federal government, I think, has always respected and which it will always respect as long as I am Minister of Justice.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Applewhaite): When shall this bill be read a third time, now?

Mr. Knowles: By leave.

Mr. McCann (for Mr. Garson) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

TRANSPORT

CONTINUATION OF AUTHORITY TO MAKE REGULATIONS AND APPOINT CONTROLLERS

The house resumed, from Wednesday, May 2, consideration in committee of Bill No. 249, to amend the Department of Transport Act—Mr. Marler—Mr. Applewhaite in the chair.

On clause 1—*Duration.*

Mr. Diefenbaker: I do not want to pursue this matter any further as far as going into the detail is concerned. I do, however, want to ask the minister whether or not, on the basis of the experience of some years in the operation of the transport controller's office, it is the intention of his department to amplify, expand or extend the purview of any of the regulations that were passed in order to make this legislation effectual. I do so because of the circumstances brought to the minister's attention when this matter was up for debate, that there had not been that enforcement of the regulations which their amplitude would permit. I am wondering, in view of the experience that has taken place in connection with the allotments that have brought a measure of serious injustice to various marketing points in Saskatchewan and the other prairie provinces, whether there is any intention to alter, amend or otherwise change any of the provisions of the regulations?

Mr. Marler: Mr. Chairman, there is no intention to make any change in the regulations at this time.

Mr. Nicholson: Since this matter was before us last week, the Minister of Trade and Commerce made an important announcement in connection with the policy on deliveries. It so happens that my constituency is in a favourable freight rate region with reference to the port of Churchill. In the past it has been the policy to hold a considerable volume of grain in the area of my constituency to have it accessible to Churchill when the ships arrive. It was possible, in the past, to make some adjustment after the new crop was begun so that the people in that area could send some wheat to Churchill. According to the new policy—

Mr. Marler: I should like to raise a point of order, Mr. Chairman. I know that during the resolution stage of this bill we had a very full discussion of a number of matters which were more or less related to the question of transport control. Then, on second reading of the bill we went through exactly the same process. It seemed to me that was quite in order because at that particular time the house was considering the principle which was at issue in this bill, should transport control be extended for two years.

The house has passed second reading unanimously, which I take it meant there was a unanimous decision that transport control should be continued for two years. It seems to me, therefore, that although the situation at Churchill may be interesting and although it may have been relevant at an earlier stage, in view of the decision of the house that control should be extended for two years my contention is that we are now considering how it should be extended for two years and whether the bill does or does not do that. The house has already decided that control should be continued for two years, so it is my contention that a discussion of the situation in Churchill is not relevant to the bill before the committee.

Mr. Knowles: May I ask whether it is possible to make a distinction between what was in order on second reading and what is in order in committee of the whole on the bill, in view of the fact the bill means the same thing at the two points, namely whether it is in order to continue the powers of the

transport controller. Surely, if it were in order to discuss the powers of the controller on second reading of the bill, the same thing should be in order now.

The Deputy Chairman: I think the committee as a whole appreciates the point the minister was endeavouring to make that there is a difference—I think there is a difference—between the general discussion of principle which is always allowed on second reading and the very specific discussion we are supposed to have under standing order 59 (2) which says that speeches in committee of the whole must be strictly relevant to the item or clause under consideration.

At the same time I have to realize that while the only change being made in this section is the change from the words 1956 to 1958, it does have the effect of extending the life of section 6A of the Department of Transport Act. I cannot really rule that a discussion of the activities of an official appointed under that section would be out of order. At the same time I think I would be justified, and perhaps I should endeavour to hold the discussion more practically to its effect on transport than to its secondary effect on the marketing and storage of wheat. I feel confident that members of the house, having thoroughly discussed the bill, are anxious that discussion now should be orderly and practical. I think perhaps from there we can go on without too much difficulty.

Mr. Nicholson: I am very glad, Mr. Chairman, that you did not rule me out of order. I submit the argument I am about to make is valid and it is related to a new situation which was not before us either in the resolution stage or the debate on second reading of the bill.

I was pointing out that 20 per cent of the points in Saskatchewan were on a one-bushel quota, and in Manitoba one quarter of 1 per cent were on a one-bushel quota; in Alberta, 3 per cent were on a one-bushel quota. The Minister of Trade and Commerce announced that the year 1956-57 is to be unlike any previous year when the transport controller was permitted to try his best to see that the allocation was fair all across the prairie provinces. It so happens my constituency is an area where we have a very low quota, partly because the grain is being held there to have it available for Churchill when shipping opens out of that northern port.

In previous years, as a result of having the period extended, it was possible in August and even September to have grain accepted in that area and handled on the previous year's quota. A real hardship is being experienced in that area where they have this very low quota now, and if something is not done between now and the end of the present crop year to give them a chance to get grain out that hardship will be even worse. I submit this regulation is also going to work an injustice at Churchill. It is going to make it very difficult to hold sufficient grain in that area to supply the ships with their cargoes, since the shipping season opens later in Hudson bay than it does in Vancouver and in the eastern ports. I submit that the minister must give directions to the transport controller to take into consideration the new factors which were announced by the Minister of Trade and Commerce last week, which have been partly ignored in the past, and make it possible for the people in all sections of the prairie provinces to be able to look forward to getting their fair quota out some time before the end of the crop year.

Mr. Quelch: I also think that the statement made by the Minister of Trade and Commerce the other day shows that it is necessary that an altogether new type of policy regarding the allocation of box cars be introduced. The minister said that there were 14 stations on the 1-bushel quota, 478 on a 2-bushel quota, 572 on a 3-bushel quota, 602 on a 4-bushel quota and 400 on a 5-bushel quota. It is very hard to understand how it is that some of those points were allowed to have a 4 and 5-bushel quota while other points had only a 1-bushel quota.

The Minister of Trade and Commerce told the house that it may not be possible to attain a uniform quota before the end of the crop year 1955-56. He said that all quotas in effect on July 31, 1956, would expire on that date. Therefore, I think the minister will agree it is very essential from now on that no more cars should be allocated to those points that have a 4 and 5-bushel quota until such time as the points with a quota of one or two bushels have been brought up to the 4 and 5-bushel level. The whole trouble arises from the fact that we have this peculiar situation. The wheat board has the responsibility for allocating orders but it has no authority. The transport controller has the authority to allocate cars but it has no responsibility to give the orders which will move the cars to those points. It seems to me we must have a man somewhere with not only the responsibility but also the authority to carry out that responsibility. So long as we have two different people, one with the responsibility and the other with the authority, we are bound to have just the same kind of confusion and chaos that we have at the present time. Therefore, I am hoping the minister will be able to instruct the transport controller that in future cars will have to

be allocated in such a way that those points that are still on the 1 and 2-bushel quota shall receive cars until such time as they are brought up on a level with the points that have a 4 and 5-bushel quota.

Mr. Castleden: Has the minister discovered many instances where the transport controller has found that his directives to railway companies have not been fulfilled? The condition which has resulted in several points in the province with which I am particularly familiar is that on main line points, particularly on the C.N.R., there appears to be a sufficient number of box cars available, but on branch line points—and this is true in my own area—of the C.P.R. the farmers find it very difficult to get cars and when they do get the cars they find it difficult to get a proper allocation. If there appear to be cars required at certain points it has been reported to me that a certain elevator had shipping orders and another elevator belonging to a line company had no shipping orders. The line company got the cars without the shipping orders and the wheat pool elevator with shipping orders could not get cars. The cars were allocated on the basis of one to one. I do not think that condition should occur. I was wondering whether or not it was the result of the railways failing to carry out a directive of the transport controller? What action could the transport controller take if he found that his directives to a railway company were not being carried out? Suppose he asked them to direct cars to certain shipping points on a branch line because of the congestion of wheat there, because there was a backlog of shipping orders or shipments out from that point, what would happen?

Mr. Marler: All I can say is that so far as I am aware only one directive has been issued by the transport controller. Information was given, I think last year, in reply to a question asked in the house, but I know of only one which was issued, and I do not know whether that was issued under section 6A of the Department of Transport Act or whether it was issued under the regulations that existed previously. However, I do not think there is any doubt that the regulations provide adequate penalties for the failure to carry out directives. I am quite sure the hon. member will understand that legally one should make a distinction between an order which is given by the transport controller over the telephone, and which the railway promises to carry out and does carry out, and a formal order. I do not think anybody looks on that as qualifying as being a directive. When it is reduced to writing and put in a formal way to the railway, then it becomes a directive. As I say, only one of those has been issued. I am sure all hon. gentlemen will realize that the facility with which a telephone call can be converted into a formal directive makes a telephone call very effective.

Mr. Smith (Battle River-Camrose): Can the minister give us some assurance that he will instruct the present transport controller to take his responsibilities more seriously than he has in the past to see that box cars are moved into those points where wheat board orders are now available? It does seem to me that if this situation is allowed to continue the Canadian wheat board will be taking the blame for the failure to move the grain from the west when, as far as I can see it, it is not the body that is responsible for seeing that box cars are spotted after orders have been given. I do know this. There are certain powers in the west and throughout Canada generally who would like to see the Canadian wheat board discredited. I have the feeling that unless this government does something to clarify this matter and to say, for example, to the transport controller, "Now, you see that box cars are moved into those points that have shipping orders from the wheat board and at the time they are given", the wheat board will get the blame. If that is done the Canadian wheat board will not be subject to the rough time they are experiencing through no fault of their own.

Is the minister prepared to give this committee some assurance that he will instruct the present transport controller to exercise the power which this act gives him to a greater degree than he has in the past? As the minister pointed out, he did not have the responsibility to do it. The minister should tell us right now that he is going to instruct the transport controller to take it as his responsibility.

Mr. Marler: Mr. Chairman, I shall merely answer by saying that in order to carry out a proper and efficient job in moving wheat to export points we must have the closest degree of collaboration between the Canadian wheat board and the transport controller himself. I would be unwilling to give the assurance in the terms which the hon. member has just suggested. I think that so long as marketing is the responsibility of the Canadian wheat board wheat can be moved most efficiently when the transport controller cooperates closely with the Canadian wheat board and sees jointly with the board and with the railway companies that the cars

are put in the right place at the right time. I do not think I can go farther than that, Mr. Chairman.

Mr. Smith (Battle River-Camrose): I know of cases where the wheat board has given shipping orders to certain points. I have in mind one particular place where there were 42 orders for shipment. I took this matter up with the transport controller away back in February and he told me that was not part of his duty but that he would watch this particular subdivision. Over the weekend I received a statement of the various quotas established in my particular part of the province and I find that there are four points still on a two-bushel quota. Those four points lie along the branch line which the transport controller assured me he would look after.

It is not a case of the grain not being there, it is not a case of wheat board orders not being there, it is simply that the C.P.R. has failed to move in the box cars. It is situations like that that I would like to have straightened out. The minister should instruct the transport controller to keep a close watch on what is going on throughout western Canada.

Before closing, I should like to substantiate the remarks made by the hon. member for Acadia. The announcement that was made last Thursday makes the movement of wheat from western points of urgent importance. I hope that something will be done before July to see that all points in the west are able to market their fair quotas and certainly that we do not again get into a mess such as the one we saw last winter.

Mr. Diefenbaker: Mr. Chairman, arising out of the minister's statement and now that this subject is being discussed at some length—I thought it was going to be restricted—may I ask the minister, having regard to the statement he made a litttle while ago that the achievement of the best possible allocation of cars in a just and perfect way would come about through close co-operation between the transport controller and the wheat board, if there has not been that co-operation and if that is the explanation for the diversity of distribution of cars and the fact that adjoining towns find themselves in a position where there is no degree of justice and where fair distribution has not been attained. I do not belong to those who believe in making attacks upon individuals who cannot defend themselves. I do not believe in taking advantage of my position in the House of Commons to refer to individuals outside the house who cannot answer in their own defence. I ask the minister whether there has been that co-operation which he advised us was of the essence of a good and proper distribution, or whether in his opinion much could be done to improve that spirit of co-operation to which he referred so warmly?

Mr. Marler: I do not think it could be implied from anything I said that there is not the fullest co-operation between the transport controller and the Canadian wheat board. In fact I feel perfectly convinced that if there had not been that kind of collaboration the transport controller and the railroads would not have been able to have done as successfully as they have in these last winter months the job of transport that has been accomplished. I was not referring particularly to relations in the past between Mr. Milner and the wheat board; I merely was endeavouring to reply to the hon. gentleman opposite by indicating that I did not believe that a literal adherence by the transport controller to the regulations would procure the best results. I believe the best results will be procured, as I said a moment ago, when there is a high degree of collaboration between the transport controller and the wheat board which could be translated into procuring from the railroads the necessary box cars to carry our wheat to points for export.

Mr. Diefenbaker: A reading between the lines of what the minister has said may offer an explanation for the incongruous position that has arisen in the distribution of box cars, beginning with the first of last August and continuing until January 18 or 20, at which time there was some improvement. I am not going to pursue this matter further except to say that the minister might give a little fatherly advice as to the needs of the western farmer with the laudable desire in mind of seeing that a similar iniquitous situation shall not again arise this coming fall when the farmers in certain areas might find themselves to all intents and purposes discriminated against or certainly denied their fair and equitable share of the distribution of box cars.

Mr. McIvor: I think if somebody would give fatherly advice to the opposition and tell them not to ask questions which have been asked before it would be most timely at the present time.

Mr. Knight: It is rather hard to find who is responsible as among these three bodies. Even in the railway committee we had the greatest difficulty in finding out who was responsible. In connection with directives, we were informed that there had been no directives issued to the railway companies

by the controller. Then Mr. Gordon said that he would admit no responsibility. He said that they had nothing to do with this, that they just did what they were told. I have a picture of Mr. Gordon doing what he is told, but that is by the by.

Then when we inquired into the situation as between the railroads and the transport controller we were given a description of a sort of loose liaison such as that which the minister has described. Somebody would pick up a telephone and talk to somebody at the other end and they apparently would come to some sort of amicable agreement.

As the hon. member behind me has said, there should be some definite responsibility so that we would know where public criticism should be directed. When I say that, I do not mean virulent attacks such as those referred to by the hon. member for Prince Albert. There should be some final responsibility.

I have heard the situation described as a dodging of responsibility or, in the vernacular, a passing of the buck. There should be some definite way of fixing responsibility in connection with this undeniably dangerous and uneconomic situation which existed in certain places last winter and which still exists in many points on the prairies.

Mr. Johnson (Kindersley): Mr. Chairman, I was glad to hear the minister state that there was going to be a degree of collaboration between the transport controller and the Canadian wheat board, but I would have preferred to have had him use the word "co-operation". I have two specific questions which I should like to ask. Seeing that there is this collaboration between the wheat board and the transport controller, to whom would individuals, say members of wheat pool committees or interested farmers, address their grievances? For example, if there is a shortage of shipping orders at a marketing point, do they draw it to the attention of the Canadian wheat board? Further, if there are adequate shipping orders at a marketing point but insufficient box cars, is that then drawn to the attention of the transport controller?

I think we must define this collaboration, and I would ask the minister to answer those two questions and indicate to me that, if there is a shortage of shipping orders, then that is the responsibility of the Canadian wheat board, but, if there is a shortage of box cars, then that is the responsibility of the transport controller.

Last Wednesday I brought a case to the attention of the minister and pointed out that a marketing point was only on a three-bushel quota. I followed his advice and took it up with the Canadian wheat board, who informed me there were 26 outstanding shipping orders. I presume that that becomes the aspect of the collaboration that concerns the transport controller. I hope I am right in my assumption that individuals in the country will make their appeals to the transport controller or to the wheat board, depending on whether there is a shortage of box cars or a shortage of shipping orders.

Mr. Marler: I think the hon. member has answered his own questions.

Mr. Argue: Someone says that the hon. member for Kindersley might be able to get a better answer that way. It seems to be generally agreed that there has been some real difficulty in moving the grain in recent months, and it is being said that there was an improvement about last January. If we could look forward to continued improvement, if we could look forward to these anomalies of which we have been speaking being removed, if we could look forward to equitable quotas being forthcoming, then there would not be any need for us to take part in this discussion. But it seems to me that right at this moment there is very gross discrimination in the allocation of box cars and that the efforts of the wheat board and the efforts, perhaps to a considerable extent, of the transport controller himself are being thwarted and being set aside by the failure of the railway companies to co-operate and to supply the box cars and to allocate them in a fair and equitable manner.

I am afraid that the railway companies are doing a very grave disservice at this time in their handling of box-car allocation and distribution to the Canadian wheat board itself, because it is a fact that there is not a fair allocation of box cars, either among shipping points or among the producers at shipping points. We had only last Thursday the statement of the Minister of Trade and Commerce as to the distribution of wheat delivery quotas at this time. Those figures have been put on the record. Fourteen points were on a one-bushel quota; 478 points on a two-bushel quota; 572 points on a three-bushel quota; 602 points on a four-bushel quota; 400 points on a five-bushel quota. That is a very unfair distribution of quotas at this moment. I trust that steps will be taken to bring these quotas together within a few months. But what bothers me is the statement of the Minister of Trade and Commerce last Thursday, in which he took a very large part of the time used in delivering a rather comprehensive statement to the house on the grain situation to inform us that there would not be, at the end of July, any steps taken to equalize

quotas among producers and that there would in fact be an unequal distribution of quotas at that time.

Mr. Marler: Does the hon. member not think he is an awfully long way from the question of transport?

Mr. Argue: No, I think I am right on the point, because it is impossible for a farmer to deliver a load of grain to an elevator unless there is space in the elevator, and it is impossible to get space unless the elevator gets box cars. It is just as simple as that.

Mr. Pickersgill: May I ask the hon. member a question?

Mr. Argue: Surely.

Mr. Pickersgill: I have read the bill since I have been listening to him, and I wonder how he relates his remarks to a section of the bill that merely extends the operation of this act for two more years. Some of us from other parts of the country who have listened to the same observations over and over again feel that perhaps there must be an end even to this road, and I am asking the hon. member in a kindly way.

Mr. Argue: Speaking about an end to something, there must have been an end a little while ago to the minister's presence in this house. I say that with great deference, because I know he is busy and cannot stay here all the time, but that point of order was in fact raised and a ruling was made.

Mr. Pickersgill: I was not raising a point of order.

Mr. Argue: I say that a point of order has already been raised. It has already been dealt with by the chairman, and his ruling was, as I understood it, that we could ask those questions and raise those things at this time that we were able to do on second reading. I come back to the point that I was making—

An hon. Member: You have made it several times.

Mr. Argue: —that because of the grossly unfair allocation of box cars at this moment we have among producers in Canada great discrimination in the allocation of quotas. I would be the first to say that this widespread difference has been brought about because of the distribution of box cars. It cannot be brought about by anything else. What bothers me is the statement made in this house last Thursday by the Minister of Trade and Commerce that, no matter what may be done between now and the end of July, there will be at that moment a discrimination, a difference in quotas affecting various marketing points, and no effort will be made at that time to extend the quotas so that that unfairness and that discrimination may be removed in time.

The Minister of Transport talks about co-operation between the wheat board and the transport controller, and that co-operation is certainly necessary, but I am suggesting to him that the railway companies must not have co-operated with the transport controller, because we are not getting distribution and allocation of box cars in a way that would equalize these quotas.

Words of commendation have been used in this house, referring to the work of the transport controller, and I have had some experience in that way myself. Very often, if a member brings to the attention of Mr. Milner the fact that at a given point or a given number of points the quota is very low and that at those points there is a great shortage of box cars, at times almost within hours box cars are spotted at those marketing points after Mr. Milner had taken it up with the railway. That shows me at any rate that action can be taken when Mr. Milner gets after the railway companies on a specific point or a specific number of points. I am suggesting now that the railway companies are not co-operating, that the railway companies are not providing a fair allocation of box cars. I ask the minister whether any new policies or any new consideration will be given to this very knotty problem between now and the end of the crop year so that we may have in fact a greater equalization of the grain delivery quotas than we now have.

The Deputy Chairman: Shall the clause carry?

Mr. Argue: No, I want to repeat to the minister the question I have asked him, namely, if any further consideration will be made between now and the end of July to an improved distribution of box cars or allocation of box cars so that there may be an improvement in the quotas and an equalization of the quotas so far as may be possible between now and the end of July.

Mr. Marler: All I shall say in reply to the hon. gentleman is that I think that not only has there been very close co-operation between the transport controller and the Canadian wheat board but there has also been the same kind of co-operation with both of these bodies by the Canadian railways. The hon. gentleman seemed to imply that recently there had not been that co-operation on the part of the Canadian railways. I should merely like to tell the committee that, according to my information, the railways are expected,

during the period from April 16 to May 31, to load a total of 54,715 cars to the lakehead, the west coast and western domestic points. In other words, over the space of a period of approximately six weeks they are expected to load a total of some 54,715 cars.

Mr. Diefenbaker: In what period?

Mr. Marler: April 16 to May 31. That means that they will have to load an average total of 1,368 per day. On the 17th of April the total was 1,905 cars, on the 18th it was 1,810 cars and on the 19th it was 1,615 cars. I could go on and give the figures day by day since the 16th of April, but I shall merely summarize by saying that at no time have they fallen below 1,490 and they have actually reached a total of 2,340 in a single day's loading.

I suggest, Mr. Chairman, that those figures dispose effectively of the criticism that there is no co-operation on the part of the railway companies. I am not able to talk about individual points because I do not know about individual points. I have got to take an overall view of the situation just as I think hon. members of the house ought to take an overall view of the situation. I should also like to add that in contrast to last year the total number of cars moved up to the 3rd of May was only 6,103 less than the corresponding period of last year and that there was an actual increase of some 2,371 cars loaded by Canadian National Railways.

I think if hon. gentlemen would examine this subject a little bit more objectively than some of them have done they would reach the conclusion that the loading of box cars is related directly to shipment for export purposes. I think that if they would examine the export shipments in relation to loadings they would find that there was a parallel between the two which explains this condition about which hon. gentlemen opposite have been complaining. I think that is the answer. If you go back to the early part of the crop year you will find that exports at that time were substantially less than usual but that they are now proceeding at a rate that imposes great burdens on the transportation system which must also meet other demands.

Mr. Argue: Mr. Chairman, I welcome the statement of the minister as to the total number of carloadings of grain that are moving to forward positions. Apart altogether from the minister's remarks, it has been apparent to me for a long time that there has to be a very real correlation between exports of grain and box car loadings and shipments of grain. These two cannot get out of line for any great length of time. You either run out of grain or you run out of space for grain so that there has to be a real correlation. But I come back to my previous statement—

An hon. Member: Again?

Mr. Argue: —that the railway companies in fact have not been making a reasonable or fair allocation of box cars amongst shipping points. It is common knowledge among people intimately connected with the grain business on the prairies that in actual fact the railway companies often almost overlook entirely one elevator marketing point or even two elevator marketing points and drop off their box cars at the larger points. It has become so bad at certain marketing points that producers have threatened, and in some cases have already carried it out, to transfer their permit books from a small marketing point to a larger marketing point because of the discrimination in the allocation of box cars as between marketing points.

I express the hope that the transport controller will use his clearly defined authority to so allocate box cars in conjunction with wheat board shipping orders, and as the wheat board lays down its shipping orders, as to provide farmers at every marketing point in western Canada with a reasonable opportunity to market their grain, and I suggest that has not been done yet.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN FARM LOAN ACT

AMENDMENTS TO REORGANIZE CAPITAL STRUCTURE, INCREASE AMOUNT OF LOANS, ETC.

The house in committee on Bill No. 84, to amend the Canadian Farm Loan Act—Mr. Harris—Mr. Applewhaite in the chair.

The Deputy Chairman: May I mention to hon. members that this bill comes to us after consideration and report by the banking and commerce committee, which has reported it with an amendment.

On clause 1—*Repeal.*

Mr. Macdonnell: Does the parliamentary assistant intend to make any statement?

Mr. Benidickson: I was not going to make a statement again in connection with the bill. The general purposes of the legislation were

outlined at the resolution stage, and I refer to *Hansard* of March 8, page 1948. As the chairman has stated, the bill has been before the banking and commerce committee and that committee has amended it in one respect. It has lengthened the maximum term of the loan from 25 years to 30 years. For the convenience of hon. members I merely point out that the report of the committee is referred to on page 449 of *Votes and Proceedings* of April 27.

Mr. Macdonnell: Mr. Chairman, as the parliamentary assistant has said, this bill has been before the banking and commerce committee and there is not a great deal that one can or should say about it. I should like to make one or two general observations to remind us that in our glorious boom that gives us such immense satisfaction there are some people who are not sharing, notably the farming industry. I do not propose to weary the committee with a lot of figures. We have been over that ground a good deal. This bill is an attempt to deal in a rather inadequate way, I suggest, with the problem. I often wonder whether we take it seriously enough. My own feeling is that no prosperity that does not include the farmers can be durable or satisfactory although of course the day is past when nobody can be a success unless he has been born in the country and walked four miles every day to school. We have got to the stage now when such a large percentage of the population is non-agricultural that the farm dwellers no longer provide the percentage of leaders in the community that they used to. Nevertheless I should like to correct any feeling we may have that the farm industry is not important by saying that I myself think it is of great importance and also—and much more significantly—by quoting to you two or three things which have been said by well-known people about the farming industry. The great French writer Rousseau says "The first and most respectable of all the arts"—you will notice, Mr. Chairman, that he calls it an art—"is agriculture". The well-known American Daniel Webster says this:

> Let us never forget that the cultivation of the earth is the most important labour of man.

But the quotation I should like to impress upon hon. members is one which I am sure will interest them, because it refers to the calling of those of us who are at present seated in this chamber. It comes from the sharp tongue of Swift and is taken from "Gulliver's Travels":

> And he gave it for his opinion, that whoever could make two ears of corn, or two blades of grass, to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country, than the whole race of politicians put together.

I have quoted that excerpt just so it may reduce us to a proper state of humility, Mr. Chairman, and also as a preface to dealing with the efforts of the politicians to help with regard to the farm problem. I think we can say—and I repeat it—that agriculture is lagging behind in prosperity. We have discussed in this chamber the problems with regard to wheat, cheese and butter, and I need not dwell upon them. So far as this board is concerned, my criticism is not that the work has not been well done. I think the board has done the work well. They have done it, at any rate, carefully and prudently. If a criticism could be made, perhaps it is that they have been too prudent.

My criticism is that I think the basic purpose of the board has rather been lost sight of. My feeling is that this board should regard itself as a public service board whereas, so far as I can make out, it seems to have regarded itself—and to have been allowed to do so—primarily as a profit-making institution. When I say "primarily" what I mean is that I think those running the board have had it much in their minds that they were obliged to show a substantial margin on the right side.

That perhaps is partly because of the circumstances of its organization. At that time they talked about profit and dividends whereas, when the housing act was before this house, I suggest that what was being considered was service to those who needed service with, of course, a proper regard for the safeguarding of public investment. There, much more than with regard to the operation of this farm loan board, I think was the feeling that the legislation was primarily a matter of public service.

Again I am not going to give a large number of figures. However, if we turn to the statement of the board we find that in the year 1955 the board had net earnings of $162,000 and that they paid income tax of $73,000. I think there is a certain irony in that fact. When we come to crown corporations that are in the business of making money and selling goods, that are in the business of competing in the open market with others such as, let us say, the Polymer Corporation, it seems to me that there, when you are in ordinary business—I was going to say "competitive business" but I suppose Polymer is largely a monopoly; but at any rate it is competing with other products if with nothing else—I suggest that considerations arise which do not and should not arise in the case of what I suggest should be an

organization serving the public. I am not going to pursue that point.

Let me say again that I think the chairman of the farm loan board has been carrying on the operations of the board as he was intended to carry them on, namely to make a profit. He has done that, and I have no doubt he felt that he was entitled to feel that that was his job. Having said that I do not propose to dwell at length on the matter. There were certain main points of discussion which arose and which will no doubt be discussed further this afternoon.

The three points of change in the bill were mainly the valuation, which under the bill is increased to 65 per cent; that is to say, loans may be made up to 65 per cent of value. Amendments suggesting that the percentage should be higher than that were moved in the committee and were defeated. The second matter was the total amount of loans. There again there was a question in the committee and an amendment raising the amount was moved and defeated. In the third place there was the question of the duration of the loan. As to that matter, the government accepted an amendment raising it from 25 years to 30 years. I think perhaps it would be more sensible to discuss the other two points—that is to say the raising of the valuation figure and the ceiling on the loan—when we come to the relevant clauses. I shall therefore defer my comments until then.

Mr. Argue: Mr. Chairman, it is essential to the agricultural industry that we have a type of long-term mortgage credit at reasonable rates of interest. The whole question of financing the purchase and sale of farms is different from the financing generally of other businesses in the nation. It is different, first of all, because you have a rather fixed amount of land which may be bought and sold. It is different because over the years, in almost every single year the farmer on the land has received a lower income than have other Canadians generally. On the basis of net income agriculture has long been a depressed industry. If you do not provide some form of long-term credit to this underpaid industry you are going to see the growth of corporation farms, and you are going to see a great many farmers pushed off the land.

I want to agree with the remarks of the hon. member for Greenwood when he said that apparently the board had been conducting its policy over the years generally from a profit standpoint, and that its business was being carried out more from the standpoint of making at least some profit for the corporation than from a public service standpoint. Before the bill was taken to the committee we heard in the house the criticism that the board and its appraisers had generally been too cautious in making appraisals, and that the length of time taken to process an application was much too long. I do not know whether the parliamentary assistant will agree when I say that it seems to me that ample evidence was brought forward in the committee to substantiate those statements to the effect that the board was too cautious in its lending policy and that its appraisals took an undue length of time.

It is essential that farmers have access to long-term mortgage credit at reasonable rates of interest. It is essential not only from the standpoint of maintaining family farm units as distinct from corporation farms, but it is also necessary if we are to save prospective purchasers of land from paying exceedingly high rates of interest. I take it that by this act we want to provide money to prospective purchasers at 5 per cent interest rather than force them to seek loans at what are bound to be much higher rates of interest. We have had ample evidence before the committee, in discussing another measure, to show that even persons who operate businesses with a very high net worth sometimes must pay mortgage rates of interest of from 8 per cent to 15 per cent. Unless we provide mortgage money to prospective land purchasers at a reasonable rate of interest we are going to turn over the purchase of farms and the credit entailed therein to loan sharks and persons charging phenomenal rates of interest.

I suggest that the future attitude of the board should be one of seeking business, looking to do a job for agriculture, and not being so overly cautious as it has been in the past and not taking nearly so long in processing applications for loans. There have been a number of suggestions by members of this group as to how the present legislation should be improved.

The Deputy Chairman: Order. I wonder if perhaps at this time I had not better give voice to something I have been thinking ever since the committee started discussing this bill. There are two points I think I should make clear to the committee, and perhaps they will not be accepted too happily in all quarters. One is that we are not discussing the principle of this bill. We discussed that at the resolution stage and we discussed it again in the debate on second reading. We are now discussing actually—I am not going to hold the committee too closely to this as I will explain in a minute—according to the rules of the house, whether or not we should drop from the Canadian Farm Loan Act the definition of "farm loan bond". This is clause 1 of the bill.

There has been growing up the general impression, and I think it is my duty to warn that I feel it is a false impression, that when we get into committee of the whole on any bill we can then discuss anything remotely related to the subject on clause 1. May I break one of the standing rules of the house and refer to another debate in the same session. I permitted that line of action on the bill we just finished because there was only one clause in that bill and that clause relegislated the whole principle. I considered, therefore, that under the last bill anything dealing with the transport controller was in order because we were relegislating the whole provisions dealing with the transport controller. In this bill we are not relegislating the provisions dealing with the Canadian farm loan board. We are not in a position now where we can discuss the shortcomings or methods of operation of the farm loan board, except in so far as they are referred to in some of the specific clauses.

If the matter of interest is included in one of the sections which we are going to discuss, then of course the matter of interest may be discussed at that time. If no change is made in the rate of interest, then I am afraid this committee is not in a position to discuss the matter of interest rates.

May I point out one other thing at the same time, because I think it is lost sight of sometimes. Even if we were discussing the principle of this bill No. 84, we would not be discussing the principle of the Canadian Farm Loan Act. We would be discussing the principle of the amendments which are now before the committee. A famous case, *reductio ad absurdum*, of course, is the Criminal Code. If a bill were introduced to amend the Criminal Code with respect to the pollution of rivers, the committee certainly could not discuss the principle of the Criminal Code in connection with perjury or murder. I have a very similar case before me in connection with the game laws, in which there was a bill to revise part of the game laws but the principle of the game laws as such could not be discussed on that particular bill.

I do believe, on the other side of the picture because most pictures have two sides, that as a matter of courtesy it has been the practice in committee of the whole to permit at least one spokesman from each of the different political groups to outline in general the attitude which that group is going to take to the bill before the committee. I think, therefore, it would not be out of the way or a breach of the rules if the hon. member for Greenwood, the hon. member for Assiniboia or whoever follows the hon. member for Assiniboia from the Social Credit group, were to say in a general outline that it is the intention of his group to follow such and such a line in connection with this bill. But I must advise the committee, while I hope not to be unfair by permitting one member to go farther afield than another, that at the moment we are not in a position where we can discuss all the ramifications and the activities, the shortcomings or the merits of the Canadian farm loan board. We must restrict ourselves to a discussion of these amendments to the Canadian Farm Loan Act which are included in Bill No. 84. I think the hon. member for Assiniboia, having listened patiently to what I have had to say, will be able to wind up the general part of his remarks in short order.

Mr. Argue: I think I have always endeavoured to follow any ruling that you might make, and I shall certainly endeavour to do so at this time. It is true that some of the remarks I have been making might have been made more properly on certain clauses of the bill because they had to do with certain clauses. Any other remarks of a general character I might make I shall endeavour to keep as brief as possible.

I have said we were in favour of the passage of this bill because there was a need for keeping interest rates as low as possible. I would even suggest that the rate of 5 per cent should be further reduced, as was suggested in the committee, to 3·5 per cent, by the government agreeing to pay the administration costs. However, Mr. Chairman, I will not pursue that particular suggestion.

At this time I want, if I may, to pay tribute to the Canadian Federation of Agriculture for the brief they presented to the committee, and more particularly to their economist, Dr. E. C. Hope, who appeared as a witness on their behalf. I have had the advantage, as compared to at least some other members of the committee, of being rather close to the farm problem for some years. I felt I at least had some knowledge of the general agriculture credit situation. I want to say that the brief presented to the committee by Dr. Hope, and the discussion that followed, improved my knowledge immensely. I believe the discussion was very helpful to all members of the committee.

I think the evidence taken by the banking and commerce committee in dealing with this bill, which makes changes in the Canadian Farm Loan Act, will stand as an important and valuable reference in the future to students dealing with the very complicated problem of agriculture credit.

Mr. Quelch: Mr. Chairman, having noted what you have just said I shall be very brief in my comments at this time. At the outset

I would also like to pay tribute to Dr. Hope for the help he gave the committee in its consideration of this bill. He gave us a great deal of valuable information, and did not hesitate to give us the time we required of him. The evidence we received from the Canadian Federation of Agriculture and from the briefs of other farm organizations showed quite clearly that the farm loan board perhaps have been overconservative in the appraisals they have made, and also perhaps have been taking a little too long in executing the loans. When we had the chairman of the farm loan board under examination we felt that, as a result of the answers he gave us, the charges that had been made by those organizations were well-founded.

I want to make it clear that we in this group are not at all keen in trying to get the farmers farther into debt; far from it. We would be quite happy if the farmers could continue without having to borrow from any farm loan board or from any other organization but unfortunately, owing to the government's present farm policy or perhaps I should say lack of farm policy, the majority of the farmers are being driven into debt whether they like it or not. However, they have to go into debt or quit farming. Since we have the position where, in order to continue, the farmers have to go into debt, then I think we have a duty to see to it that they have the best kind of credit available to them as far as the type of payment and cost are concerned.

Apparently the three main reasons why farmers today are pleading for loans under the farm loan board legislation is that first of all many of them are trying to expand their land holdings. Some may ask, "Is that wise?" Farmers have not very much choice. They are in a cost-price squeeze, and no matter how much they may try to reduce their costs there is a certain overhead that they cannot reduce. Therefore the only way they can reduce the impact of their overhead is to expand the size of their operation so that the cost per bushel or unit will be that much less.

We have had evidence in the past to show that the economic unit for a grain farm is around two sections of general land or one section of really good land. We have many farmers who are trying to operate on a half section or a three-quarter section basis. A farm of that size cannot support the cost of a full line of machinery. Therefore the farmer appeals to the farm loan board to get a mortgage in order to try to add to his land holdings and in that way reduce the impact of the overhead.

Then today we have many sons wishing to take over the farms of their fathers. The fathers need cash for their farms in order to retire, so the sons endeavour to get mortgages from the farm loan board to buy the farms from the fathers. Another rather unfortunate reason is that some of the farmers have obtained loans under the Farm Improvement Loans Act and are not able to meet their payments today. Because of that they try to get a loan from the farm loan board in order to amortize the amount of the payment to the farm loan people over a long period of time, because loans under the Farm Improvement Loans Act are made for machinery and only for a 3-year period. That means that in many instances the size of the payment is far beyond their ability to pay today. Therefore we feel that the farm loan board can perform a useful service. It has performed a useful service for many farmers, but we feel those services are probably going to be required, unfortunately, to a far greater extent in the future than they have been required in the past. Since this bill will undoubtedly bring about a number of improvements we intend to support it.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

On clause 5—*Capital stock.*

Mr. Hamilton (York West): Perhaps the parliamentary assistant will explain the recapitalization. Do I understand that from now on it will consist entirely of what we might describe as common shares, and no longer will there be an investment by way of bonds?

Mr. Benidickson: The bond provisions are being eliminated, Mr. Chairman. As a result the capital structure is being considerably simplified. The capital will consist simply of common shares of a par value of $3 million. From then on the needs of the board will be met by borrowing from the government. Then the matter of the reserve funds themselves is simplified because, as my hon. friend will see, in subsequent sections they have a direct relationship proportionately to the amount of the capital.

Mr. Hamilton (York West): Do I understand the situation to have been this previously? There was a fixed amount of interest which had to be paid to the government annually under the previous capital structure, and that has now been changed and the only amount that will be repaid, since this is a common stock set-up, will be the difference set up here as provided later on in connection with the reserve fund.

Mr. Benidickson: My hon. friend will recall the evidence in the committee that the board had never paid interest on the small amount

of original capital that was provided. The amount of that, I think, was roughly $2,200,000. It was indicated that the board had been able to accumulate reserves. In fact it was obligated under the statute to establish reserves in proportion to its profit, and the reserve funds were retained by the board. Now, the board had the use of that capital money and reserves for the purpose of relending without the necessity of borrowing. From now on there will simply be the $3 million share capital. What needs the board has for further finances will be met by applications to the government for direct loans, and they will pay the going government rate of interest at the time the requirement originates.

Mr. Hamilton (York West): Then, Mr. Chairman, I understand in fact there has been no change created here and that the board previously did not pay interest on the bonds which were provided and now will be in much the same position under the continuing legislation?

Mr. Benidickson: No; the board always paid interest on its bonds and it paid on its notes. The 1952 legislation enabled the government to loan on notes. Except for the item of $2,200,000 the board has always paid the cost to the government of obtaining those funds for them.

Mr. Argue: Can the parliamentary assistant give some indication of the general cost of funds to the board at the present time?

Mr. Benidickson: The obligations of the board are set out in the annual report. I am referring to the last annual report for the year ended March 31, 1955. In the balance sheet on page 6 the liabilities of the board are indicated. The hon. member for Assiniboia will note that there are advances by the government which have rates of from 3¼ per cent to 3¾ per cent, depending upon the money cost at the time the application was made to the government for those funds. Then the old bond structure is referred to after that, and it will be noted that $20 million of the funds of the board were provided by bonds which had a flat rate of 3 per cent. Then there is reference to the initial capital, which is shown also on the liability side.

I did have a little summary of that when we were in committee, but I think my hon. friend can do the mathematics of dividing the various liabilities and establishing that the rates have been from 3 per cent to 3¾ per cent. From now on the board will be obligated to pay the government what the government's cost is of borrowing money for this purpose.

[Mr. Benidickson.]

Mr. Argue: The balance sheet to which the parliamentary assistant has been referring indicates that the farm loan board have been operating on a relatively narrow margin. They have been paying their way and have made a small net earning in addition.

Mr. Benidickson: Moderate.

Mr. Argue: I asked a question of the chairman of the board in the banking and commerce committee, and at this time I should like to ask a similar question of the parliamentary assistant. The parliamentary assistant will realize that the farm loan board's cost of administration, wages, depreciation and the things that have been mentioned are on the way up, and it will be increasingly more difficult for the board to operate on even a modest margin if there should be any further increases in the cost of funds to the board. The parliamentary assistant knows that about a month ago there was an increase in the cost of funds to the board from 3⅛ per cent, I believe to 3⅜ per cent. I am wondering if the parliamentary assistant can assure us that no matter what changes there may be in the cost of funds to the board the current rate to be charged by the board on the business it does will be maintained, at least for the coming year.

Mr. Benidickson: I certainly would not make the firm commitment that there would not be a change in the rate of interest with respect to farm loans. My hon. friend will remember that the chairman of the board said that based on the normal amount of applications he had been receiving in past years and the thought that in the current year the applications would be similar, he felt that probably for a few months hence he could see no likelihood of a change in the interest rate. That is assuming that it is the intention of parliament that this board should continue to operate without a subsidy.

Some reference has been made to whether or not this is a service organization. It was indicated in committee that if the board had paid interest on certain funds that could be considered as funds of the government, as the shareholders of the board, in recent years it would scarcely have broken even. Its surplus is a most modest one of around $161,000. If it had paid interest on the capital a large portion of that surplus would have been eliminated, even in last year's operations.

Some suggestion was made in the committee that the board should actually go out and do more supervising in connection with loans, which would increase its expenses. We do know that at the present time the board's costs of operation are about 1·39 per cent of the funds it has out on loan. The present

cost of money borrowed by the government is about 3·3 per cent, and if you add that to the 1·39 per cent you can see that there is not much of a margin. As my hon. friend says, certain costs are rising, particularly the cost of money, and I would not care to make a very long-forward commitment.

Mr. Argue: I had hoped the parliamentary assistant would have gone a little further in assuring the committee that there would not likely be an upward adjustment in the interest rate charged by the board. I speak from memory, but in answering the question put to him the chairman of the board was a little more positive than was the parliamentary assistant. If I remember correctly, his answer was to the effect that if there was no further change in the cost of money—and he expressed the opinion that he did not know of any change that might be forthcoming—they could hold the interest rate for the next six months.

It is true that suggestions were made in the committee that the supervising of certain loans might be done, but I think it is fair to add that this suggestion, which would add to the cost, was made in conjunction with the suggestion that the government should bear the administration costs of the board. Whether or not you would have got an affirmative answer if the witness had been asked whether he wanted this additional cost undertaken without any further acceptance of cost by the treasury, is something that is rather doubtful.

I want to express the hope that there will be no further increase in the interest rates charged by the board. In recent months and weeks we have seen many instances of the increased cost of money. There has been an increase in the Bank of Canada rate, and generally speaking there have been increased interest rates. I trust that the policy of the government in connection with increasing interest rates generally will not interfere with much of the effective work that can be done by the board, work that can be done only if the interest rate of the board is placed at a reasonable figure. In my submission anything over 5 per cent should be resisted, should not be tolerated.

Mr. Macdonnell: Mr. Chairman, as the hon. member for York West has pointed out, you have a situation here where income or net earnings of $162,000 are possible because the government investment is in the form of shares and not in the form of a money advance on which interest might be charged. Without dwelling on that point may I suggest to the parliamentary assistant that the regarding of this board as a profit-making institution is in my view unsound. It should not be considered in the same light as, let us say, Polymer and other corporations of the crown which are actually in business. There would also seem to be a certain anomaly in paying income tax on income in this case, which arises largely because much of the government advance is in stock and gets no return. To me it is something almost like Alice in Wonderland financing. I am going to ask the parliamentary assistant to consider that at the present time.

Dealing with what the hon. member for Assiniboia said about the interest rate, I think if we weighed the caution of the chairman of the farm loan board when before the committee with the caution of the parliamentary assistant it would be a dead heat.

Mr. Quelch: I should like to echo the hope of the hon. member for Assiniboia that the interest rate will not be raised. It is interesting to note that a short time ago the interest rate on money provided to the board did not rise beyond 3¾ per cent. Even then they were able to maintain a 5 per cent rate by, if I remember rightly, making a small service charge or a charge of some kind. According to this, it was 3¾ per cent. There was some charge.

Mr. Benidickson: The only charge is the $10 appraisal fee. I think we have evidence that if the volume of lending went up the cost of administration would go up considerably due to the costs of appraisal. The average cost of appraisal was about $30, and the applicant paid only $10, but that is the closest reference I can recall.

Mr. Quelch: I do not have the record, but I remember the chairman saying that they have been able to maintain the 5 per cent rate by some means. I understood it was some kind of service charge. But the point is that though their cost went to 3¾ per cent they maintained the 5 per cent rate. So far there is no reason to believe that the cost of money will be over 3¾ per cent, so I am hoping that the 5 per cent rate will be maintained.

Clause agreed to.

On clause 6—*R.S. c. 309, s. 6.*

Mr. White (Hastings-Frontenac): I should like to ask the parliamentary assistant a few brief questions on this clause. First, does he know whether it is the intention of the board to attempt to simplify the application? Second, can he give the committee any idea as to the approximate period from the time the application is made until the property is appraised; after the appraisal what is the average time before the application comes before the board; and, after the board has

approved the loan, what is the approximate time before the loan is completed and the money is actually paid?

Mr. Benidickson: I do not think I can answer my hon. friend in detail. I would point out to him the difficulty with averages. The chairman of the board, in concluding his evidence, did say that he felt he too had profited very much by the opportunity of hearing the views of members of parliament throughout the sittings. I have no doubt that, as he has been doing in the past, he will continue to make every effort to reduce the time lag, but I think all members of the committee were aware that the routine procedures connected with the making of a loan are not entirely in the hands of the board.

First of all, loans can be made only within a certain portion of the year; I think it was roughly seven months. In the opinion of the board, except perhaps in one province it is not possible to appraise farms when snow is on the ground. Then the chairman of the board said that even though frequently they were able to process their side very expeditiously, they had encountered difficulties that were not of their making, such as delays, on the part sometimes of the applicant, in providing the necessary information as to his liabilities. Sometimes checking those items with the bank or other creditors involved delays. It was indicated that sometimes a search of title by the solicitor in the area in which the farm is registered is responsible for a fair amount of delay. The difficulty of getting assignments of insurance policies, and so on, all takes time. We, of course, have no evidence that these procedures were any slower than in the normal lending business on farm property.

Mr. White (Hastings-Frontenac): Could the parliamentary assistant say how many evaluators there would be in what is called eastern Ontario, that is east of Toronto, and about how many applications could be handled after May 1 to the closing period for inspection?

Mr. Benidickson: That evidence was given. I think it was broken down by provinces. No, the detail in the appendix refers only to one province, the province of Saskatchewan. I could obtain that information for my hon. friend and send it on.

Mr. White (Hastings-Frontenac): I should like to ask one other question of the parliamentary assistant. Would he like to give us his opinion, as a member of the bar, as to whether these matters could be speeded up in every detail? The time of the inspection and the whole of the processing is not a matter of a lawyer's time. They always try to put the blame on the lawyer, but the parliamentary assistant knows there is nothing to that. The delay is in the making of the evaluation and all the endless government red tape after the application is made. Can the parliamentary assistant not get out of his dual role as parliamentary assistant and speak as a lawyer and say that there is no reason why this whole procedure could not be speeded up?

Mr. Benidickson: I would certainly not say that one party to the transaction is chiefly to blame for any delay, particularly my own profession, but several factors have contributed to delays in particular applications. I certainly think that as a result of the discussions before the members of the banking and commerce committee there will be another look to see whether procedures cannot be shortened and streamlined.

Mr. White (Hastings-Frontenac): The parliamentary assistant knows that the trust companies that loan money in fact in practically the same way would never tolerate a system like this that takes months and months, and they are just as cautious as the farm loan board. If they can process a loan in a matter of two weeks, there is no reason why the Canadian farm loan board cannot do the same thing.

Mr. Macdonnell: I should like to make a comment on that. I think the parliamentary assistant will agree that this matter was discussed at length and very earnestly in the committee. My recollection was that we were given 50 days as the average, which of course means that many were much longer. I think the chairman of the board was impressed. Certainly every effort was made to make him feel that, particularly with the five months' dead period due to snow, there should be a great shortening of that loan period. I think he had in mind the possibility of perhaps some more staff. I believe the question of staff was important. I shall be very disappointed if there is not a substantial shortening.

Whether we can ask the parliamentary assistant if there is some way to keep track of that, whether it would be reasonable for us to be allowed to pursue that and get a report made by the board from time to time, I am not clear, but I feel it is a very important matter. The committee certainly felt that, and I have considerable confidence that the chairman of the board, who I am sure wants to do a good job, will realize that delay is one of the complaints that registered most deeply.

Mr. Benidickson: I agree with my hon. friend, and I can tell all hon. members,

having served on that committee and become better acquainted with the work of this board, that if any hon. member has an individual case where he feels there has been undue delay I would be very happy to extend my co-operation by acting as liaison between the board and the member to examine that particular file; because there is, as I say, a great danger in speaking about averages. You have to look at the individual case and see what caused any special delay in that particular instance.

Mr. Fraser (Peterborough): I just want to follow up what the parliamentary assistant said on that. The parliamentary assistant said that if a member had an individual case he would take it up, but what about the farmers who do not go to their members? They are absolutely stuck.

Mr. Charlton: Mr. Chairman, I had intended to make a few general remarks on the first clause but you ruled against that. It has always been considered to be the practice in committee that general remarks could be made on the first clause and I still wonder whether that matter should not be cleared up once and for all so we may know whether it is a matter of right or simply a privilege.

Mr. Lennard: When would you do it if you did not do it on the first clause?

Mr. Charlton: Clause 6, however, is quite broad; therefore I feel that any remarks I might have made on the first clause can be made here. I want to express my personal appreciation to all those who presented briefs before the banking and commerce committee. These briefs were most helpful, especially the brief presented by Mr. Brodrick of the federation of agriculture. Later we had Dr. Hope as a witness before the committee and he was very helpful indeed. We appreciate the fact that the government has brought in one or two amendments to the act. There was also one amendment made by the standing committee. However, we believe there are many changes that could be made so far as the administration of the act is concerned.

One very important thing, and it has been mentioned before, is the speeding up of appraisals and the processing of applications. In its brief the federation of agriculture suggested that there should be an advisory committee in each county. During the hearings of the committee I suggested that it would often be possible to use the services of some retired farmer in the district who knew the county very well and could be paid so much for each appraisal he was called upon to make. It would not be necessary for him to go into all the details in getting information that a stranger coming to the area would require to obtain, and these local people would be invaluable in speeding up the processing of loans.

From questioning the chairman of the board it was learned that apparently some such individuals are used, but there are still a great number of permanent employees going around the country making appraisals. I suggest sincerely that the board give the most serious consideration to trying to get a good local farmer, retired or otherwise, in those districts where no local man is being used to do appraising at the present time. These men know the local situation and would be of very great help to the board in valuation and appraisal work.

It has been mentioned by the hon. member for Peterborough that there are hundreds of these applications that members of parliament do not see because they are personal matters. A person making such an application does not always like to come to his member about it unless he has trouble. If he has trouble then he probably will go to his member of parliament and in that case we do hear about these cases. I know that so far as any cases I have had to do with are concerned, the appraisal value has in most instances been very low compared with the actual value of the farm. The chairman of the board said they appraise a farm on the basis of its earning capacity.

Mr. Benidickson: Productive capacity.

Mr. Charlton: That is probably a good idea, but if that is the case then they are actually making loans on the basis of the person rather than the farm, because if a poor farmer was operating the best farm in the world the earning capacity of that farm would be very low. Therefore what they are doing in effect is lending money on the basis of the owner of the farm instead of on the farm. At the present time the situation is, as has been said, that farmers are in a low category so far as earnings are concerned. Their earnings are the lowest they have been for years. Ordinarily I suppose a farm would be remortgaged about every 20 or 25 years. Many farmers want to obtain one of these loans to consolidate their debts. They are probably paying off debts to the implement company or the bank and they want to consolidate them in one place where they will have a reasonable interest rate.

I always understood that the farm loan board was supposed to be a service organization for the farmers, and that its purpose was to take up the slack in mortgage money when trust companies and private individuals who would ordinarily lend money were making fewer and fewer loans. It was my

understanding that the purpose of the board was to be of service to people who found it difficult to get loans from any other source. But we find that the board had a profit of practically $163,000 last year and paid income tax amounting to $73,341. While it is to be hoped that the board will be able to pay expenses and make some profit, it seems to me to be a little out of the ordinary that the board should make that much profit on its operations.

Take the case of the young man who wants to start farming. It is very odd that when he goes to the farm loan board and tries to get a loan he cannot get sufficient money in order to start farming unless he has a considerable amount of his own or unless his father turns the farm over to him free of cost. Ordinarily the farmer depends on the money he gets from his farm in order to retire, but the present situation means that he cannot retire. He must remain on the farm and either hire his son as a labourer or else operate on a share basis with him. It seems to me that if the young man wants to make farming his life work it should be a little easier for him to do so. The board should make it possible for him to start farming on a reasonable amount of capital and at the same time allow the father to retire, move off the farm and leave it to the son to run.

We all know that father-son arrangements sometimes create difficulty. The young man has new ideas and wants to carry on in a little different way than his father did. The father of course is sometimes just a little reluctant to do that. Such a situation often means that the boy leaves the farm because he does not have the amount of capital required.

The strange thing is that the same boy can go to the city, get a job and, through Central Mortgage and Housing Corporation, have a new home built for him in the city for 10 per cent of the cost of the house. But if he goes into farming he has to have 60 per cent to 75 per cent of the value of the operation; that is, machinery, livestock, the value of the farm. He would probably have to have 60 per cent to 70 per cent of the amount of money he would require to start farming. He certainly cannot get credit on livestock. He cannot get very much credit on implements. Up to now you have only allowed him a loan of 60 per cent of the appraised value, and under the amendment it will be 65 per cent.

I suugest most sincerely that the appraised value is low, and that a loan of 65 per cent of the appraised value is a pretty poor show so far as the young man is concerned who is starting in the business of farming. As I said at the outset, I think most people appreciate the amendments that have been brought forward, but they do not go far enough. In the committee we tried to get 75 per cent of the appraised value established as the basis for a loan. That was turned down by the majority of the committee, but I suggest that it has to be either the one thing or the other. There either has to be an easing so far as appraisals are concerned or the percentage of the present appraisals should be increased.

If the farm loan board appraisers will ease up on their appraisals and appraise farms closer to their actual value at the present time, then 65 per cent might be sufficient. But it is either one thing or the other. If they are going to maintain the inadequate appraisal values they are using now, then I say the percentage should be increased.

It was suggested that the maximum loan be raised from $15,000 to $20,000. Even $20,000 on a large operation would not set a young farmer up in business. The maximum loans as originally provided was $10,000 on the first mortgage and $3,000 on the second. This amount has been increased to $15,000. That is a step in the right direction. But with values increasing in the way they are increasing at the present time, I personally feel—as do our party—that $15,000 is not enough for the maximum.

We are glad the government saw fit to increase the number of years from 25 to 30. I am sure that is a good move. As I said at the outset, ordinarily farmers remortgage, generally speaking, every 20 or 25 years. It naturally follows that the farm must be remortgaged when a son takes over, unless the farmer is wealthy enough so that he can turn over the farm to his son without compensation. As I say, it naturally follows that it must be remortgaged. Ordinarily a farmer wants to retire at somewhere about the age of 55 or 60, if he can do so. I suggest it is almost necessary that he retire at that age unless he wants to hold his son on the farm until he is 35 or 40 years of age before he is able to take that farm over. I think that is rather bad policy, as a rule, if it can be arranged in any other way. I think 30 years is a very good limit. Certainly the maximum should be increased under present conditions. I hope there is some way in which the government can see fit to do that.

As to the percentage, I hope the farm loan board will take into consideration getting a good local farmer in each county to help them with the appraisal of these farms, and to give them the information which they would necessarily be obliged to go out and dig for if

they did not have a local man. The suggestion made by the federation of agriculture is perfectly all right; I refer to the suggestion with regard to having an advisory committee. Under that suggestion you would have three when, in my opinion, one would probably be sufficient. As I said before, this legislation is acceptable. We intend to support the bill. However, we should like to see these various changes made.

Mr. Jones: I am interested in clause 6, especially subsection (i) with reference to loans of up to 65 per cent on the actual value of such lands and buildings. I am interested because the provision does not mean a thing as far as my part of the country is concerned, where the average farmer makes his living from fruit trees. I should like to ask the parliamentary assistant later on to define the policy the department has in valuing mature fruit trees.

I get from my riding constant evidence that the present system of valuation is entirely wrong, that it has no relation to actual value. If future loans are to be made on the basis of 65 per cent of the actual value, I think it is time the government had in the interior someone competent to value fruit trees. I am satisfied that at the present time they are not properly valued, and that they are definitely valued at only a fraction of the value of such fruit lands on the open market.

Actually, some time ago I had instances of two fruit farmers who were turned down by the farm loan board on the basis of the valuation of their fruit trees, but in both cases they were able to go, with the same security, to an orthodox chartered bank and arrange a loan, at probably the same rates of interest. I do not know the rates of interest, but they were able to satisfy the orthodox bank that they were capable of meeting the payments on the loan. There is something wrong when this happens with a board which is supposed to assist in getting out of a bad spot those who normally cannot get their assistance from the banks; that is, if they are a fairly good risk otherwise.

As far as we in British Columbia are concerned, I think having the operations of the farm loan board concentrated in New Westminster is wrong. That is on the coast, where the climate is totally different and where growing conditions are different. They have nothing to speak of in the way of fruit trees. We should have one of these people situated in the interior—in the Okanagan valley or the Kootenay valley—in order to become acquainted with fruit growing conditions and with the value of growing fruit trees in order that a fair assessment can be made. Even with the 65 per cent provision I am satisfied that on these appraisals the average fruit grower could get only half that on the market value of his 10 acres or maybe 15 acres of fruit land.

These are the questions I should like to pose to the parliamentary assistant. What definitely is the policy of the government in valuing fruit trees? How do they arrive at the low valuation that is now in existence as far as the board is concerned? I should like to know whether fruit trees could be included in this bill as well as farm buildings. It is far more important to have the farmer prosperous and have him getting a loan on his trees rather than on his house, to my mind. Hence it is just as important to include fruit trees in this clause as it is to include the house and the land itself.

Mr. Herridge: I just want to support what has been said by the hon. member for Okanagan Boundary because we have similar experience particularly in connection with the fruit industry. I represent a number of fruit farmers and small mixed farmers, the great majority of them with a long record of successful operation of small acreages compared to the giant farms looked after by my colleagues around me.

They have managed with remarkably few mortgages. I mention that fact to indicate the soundness of their small farming operations. They have few mortgages indeed. For some years I have not seen a single farm in my constituency advertised as delinquent with regard to taxes. I mention that fact to indicate that these are good farmers and that they are engaged in good, sound farming propositions. They run their farms mostly with family labour. They have not much equipment. They are more acquainted with the cross-cut saw, the axe, the walking plow and the mattock than they are with large machinery requiring large investment. Their operations are modest. You will not find them in California, in Arizona or at the Empress hotel in Victoria. They are obliged to stay home all winter in order to attend to their pruning and things of that sort.

As I say, there is a tendency to underestimate the production value of these small orchards. Like the hon. member for Okanagan Boundary, I should like the parliamentary assistant to explain to the committee on what formula they operate with respect to the valuation of fruit farms particularly.

As I mentioned at the resolution stage, I believe it was, I am of the opinion that the activities of the board should be diversified. At present they are centralized in New Westminster, and as far as I can see they are hypnotized by Fraser valley conditions. They know little from experience of Okanagan and

Kootenay conditions. There should be at least a representative in central British Columbia and in the interior of British Columbia representing the Okanagan and the Kootenays.

I would seriously suggest again that the officials of the board would be well advised to get in touch with the farmers' organizations, to visit the fruit growers' organizations and to get an abstract from the books in order to see what has been the production of some of these people. I know of instances where $6,000 or $7,000 worth of cherries have been produced a year on five acres and with very little overhead on account of family labour in the pruning, spraying, picking and even in the packing house and things of that sort. A very small percentage of these people require loans from the Canadian farm loan board.

Like the hon. member who has just spoken, I have on a few occasions run into instances where I could not understand why good, hard-working people with a long record of successful operation on what is to us good soil and good properties should be refused the modest loans they required at the time. I do suggest that officials of the organization would be well advised to visit the district and get in touch with farmer organizations; then they will have some understanding of the capacity of the land and the people on it to produce.

Mr. Hahn: What the hon. members for Kootenay West and Okanagan Boundary have said concerning the appraised value of property is possibly quite true. I am not sure that it is intended as an affront to the individual in New Westminster. As the hon. member for Kootenay West suggested, he is not familiar with farm conditions in the interior of British Columbia, and therefore possibly should not be the appraiser. I should like the parliamentary assistant to indicate to us just exactly who does the appraising of these farms in British Columbia and whether there is any connection with the appraiser under the Veterans' Land Act, and possibly whether or not there is any method of appeal by which a reappraisal might be made of property which has not been appraised at the value at which the farmers felt it should have been appraised.

In the lower mainland area of British Columbia we find that the appraisers under the Veterans' Land Act are very thorough and are quite familiar with property values in that area. Possibly for that reason some examination should be made into whether or not the appraisals made under the farm loan board are quite as fair as the appraisals made under the Veterans' Land Act on the same piece of property.

Mr. Macdonnell: Mr. Chairman, it is not often one can do anything in this chamber that carries the approval of the government, but I think if I moved an amendment to subsection 2, paragraph (f), it might carry the approval of the government. I would move:

That the word "twenty-five" be stricken out and be replaced by the word "thirty".

The Deputy Chairman: I think I might point out to the committee that the bill, as reported from the banking and commerce committee, contains that amendment according to the copy I have before me. The section now reads:

Every loan under this section shall be repayable upon such terms and within such periods not in excess of thirty years as the board shall prescribe;

Mr. Macdonnell: That change does not appear in my copy. I have another amendment I should like to move. I move:

That clause 6, subparagraph (ii) be amended by striking out the word "fifteen" and replacing it by the word "twenty".

That is the ceiling on the loan. I am not able to see any objection to that. I understand that when the deceased wife's sister bill was being passed in England there was one member who was vehemently opposed to it, and somebody pointed out to him that it was not a compulsory measure. In the same way I should like to point out that if we raised the ceiling from $15,000 to $20,000 it is not forcing anyone's hand. It is merely permissive. It gives the right to the board, if they find a loan which they think otherwise satisfactory, for an amount above $15,000, to make that loan.

When we have regard to the very substantial increase in prices over the years, in many cases running to twice what they were, and having regard to what I said a moment ago that we are not forcing anybody's hand but merely enabling the board to make a loan between $15,000 and $20,000 if they want to do so, it seems to me there is no danger in it. The board are experienced; they have had experience over the years. As I said earlier in the afternoon, if there is any question to be raised about their operation I think it would be that they have been too prudent, too careful, too unwilling to be a little progressive. I feel, therefore, that in moving that this $15,000 be raised to $20,000 I am not asking the board to take any additional risk. I am merely creating a situation where they will have a little more elbow room.

Mr. Argue: We are quite prepared in this group—

The Deputy Chairman: Order. I have not received the amendment. Having received the amendment now, I have before me the resolution which received His Excellency's

recommendation and was passed by this house. The appropriate part of it reads:

—to allow loans to be made up to sixty-five per cent of the value of the lands with a maximum loan of fifteen thousand dollars—

When I heard the hon. member speaking I was inclined to come immediately to the conclusion that he was raising the amount of public funds which would be expended, but I was not too sure I was right. There may be an over-all ceiling in the bill which would meet that question. However, there is no question in my mind at all that the resolution preceding the bill was very specific. We have the following quotation taken from the booklet of the *Journal of the Society of Clerks-at-the-Table in Commonwealth Parliaments,* to be found at page 167, where apparently a similar motion was made:

In asking the chairman to explain the reason for his ruling, Mr. Shackleton quoted the following passage from May (fifteenth edition, page 748):

"The approval or the reduction of the expenditure under consideration, or an increase in the stringency of the terms and conditions of the charge thereby created, are the matters specially entrusted to such a committee—

I insert "this committee".

—and to these objects amendments are directed.

If it was in order for the committee to interfere with the Queen's recommendation to the extent even of striking out all the money proposed to be voted, he could not see why it should not be in order merely to say that it should be repaid.

The chairman said:—

And this is the point:

"If the hon. member will look at the next page of Erskine May, he will find that this amendment would alter the conditions under which the Queen's recommendation was given, and therefore it is out of order. It is correct that the amount of money may be reduced, but we cannot alter the conditions."

In this case the resolution which came before the committee of the whole preceding this bill was very specific. The amendment proposed by the hon. member for Greenwood would not only materially alter the resolution but would alter it upward, so that the effect, if any, would be to increase the financial drain upon the resources of the crown. Therefore I am afraid I must rule the amendment out of order.

Mr. Macdonnell: Might I submit one consideration which you yourself have raised, Mr. Chairman, namely that this would not necessarily affect the over-all expenditure? Second, the suggestion which you just made is that this may not be regarded as an expenditure but a loan.

The Deputy Chairman: I think we can meet the hon. member's second point very easily. It would become an expenditure if the loan were not paid. I myself said it was possible there was an over-all limit and, therefore, the purely financial consideration might not be binding. It does most definitely alter the conditions under which the Queen's—in this case His Excellency's—recommendation was made to parliament. The conditions were: "That it is expedient to introduce a measure to amend the Canadian Farm Loan Act". Then it goes on, and one of the conditions is that the loan shall be made up to 65 per cent of the value and that there shall be a maximum loan of $15,000, and so forth. It is my opinion that the proposed amendment does materially alter the conditions under which His Excellency's recommendation was made to parliament, and therefore is not in order.

Mr. Argue: Mr. Chairman, had you allowed the amendment we in this group certainly should have supported it. Even though the amendment is not before the committee, since we have a provision in the clause to increase the amount of the loan to $15,000, I make this suggestion. Like the hon. member for Greenwood I think it would have been desirable to have the $15,000 increased to $20,000. I might say this is in conformity with the recommendations made to the committee by the Canadian Federation of Agriculture.

I am not too sure what form the amendment to the present bill takes. In the banking and commerce committee the hon. member for Greenwood was successful in moving a motion that may have been seconded by the parliamentary assistant. He certainly expressed his willingness to second the motion at that time; but since an amendment at that stage may not require a seconder there may not have been a seconder listed. The motion of the hon. member for Greenwood in the banking and commerce committee, heartily supported by members of this group, I might say, and members of all political parties, it was approved.

I suggest, Mr. Chairman, that if the period of the mortgage is to be extended from 25 years to 30 years, you have the same general effect that would result from changing the $15,000 to $20,000. I am not attempting to raise a point of order at all; I am merely saying that the amount of money that is made available to the board and the conditions under which it is made available have already been set forth. Therefore any change as to the length of period in which it will be repaid, the amount of the loan, the percentage of the appraised value, and so forth, are merely apportionments of the total amount of money that is controlled in another way. Certainly we are in favour of the suggestion made by the hon. member for Greenwood.

The Deputy Chairman: In view of the remarks that have just been made by the hon. member I should point out that certain specific conditions, including the $15,000 maximum and the 65 per cent figure, were included in the resolution which was adopted by this house. There was no inclusion in the recommendations of His Excellency dealing with the length of the amortization period. If there is a maximum gross amount in the bill, then the larger you make the individual loan the fewer the number of individuals who can partake and, therefore, it is in my opinion a material alteration.

Shall clause 6 as amended by the committee carry?

Mr. Hahn: Before the clause carries will the parliamentary assistant indicate whether or not the Veterans' Land Act appraisers are ever used on appraisals of these properties and whether there is provision to appeal an appraised value?

Mr. Benidickson: I am informed that the Veterans' Land Act appraisers are occasionally used to supplement the appraisal organization of the Canadian farm loan board. In the British Columbia area there is a full-time appraiser and then a seasonal appraiser is employed, and sometimes, as a matter of convenience but not often, a Veterans' Land Act appraiser is used. But the board relies on both its permanent appraisers and on its seasonal or part-time appraisers.

Mr. Hahn: Is there a provision to appeal an appraised value?

Mr. Benidickson: Other than the complaint of the applicant in correspondence? He would have every right to address a complaint to the head office of the board if he was not satisfied with the decisions made either in his regional office or by the appraiser.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Johnson (Kindersley): Mr. Chairman, this clause proved to be the most contentious one before the banking and commerce committee. It deals with the basis upon which loans are made. There seems to be a considerable variation in the policies followed by the appraisers of the Canadian farm loan board. Experience has been that anyone attempting to get a loan from the board finds that the value put upon his property by the appraiser is significantly less than the current resale value of his farm.

Another aspect of the problem was discussed under an earlier clause. The Canadian farm loan board operates upon the difference between the cost for which they can borrow money and the interest rate they charge the farmer. One way they can make certain that no risk will be involved is to be very conservative in their appraisal policy. Section 6 (1) (a) reads in part:

—the principal amount of which shall not exceed sixty-five per cent of the actual value of such land—

The term "actual value" is very vague indeed. It has been claimed that it is based upon the productivity of the land, but in order to have a valuation based upon productivity you must give consideration to the market prices of the products which are produced. I think in the final analysis the actual value should be based on the long-term productivity of the land.

It is evident from the experience of many farmers that the actual value placed on a piece of land by the appraisers of the Canadian farm loan board is significantly less than the appraisal of the actual value of a piece of land by the Department of National Revenue for succession duty purposes. There should be some consistency in the policies. In one case we have the Department of National Revenue putting the highest possible valuation on a piece of land for succession duty purposes, and then we have the farm loan board apparently determined to put a very low value on a piece of land so a smaller loan may be made and the risk thereby reduced.

Considering the experience of other countries I do not think we need be as niggardly as the government has shown a desire to be in the percentage of the appraised value. The farmers' home administration and the farmers' credit administration in the United States grant loans on the basis of 100 per cent of the appraised value, and the losses have been small. There is a slight variation in the administration of those boards as compared with the Canadian administration, but I think our officials would do well to study those credit agencies in the United States.

It is generally thought that the government is increasing the percentage of the actual value by this new bill. Previously the percentage of the actual value was 60 per cent and it has been raised to 65 per cent, but I submit that percentage is deceptive. Prior to this amendment the board was taking 60 per cent on the first mortgage and then there was an additional $2,000 for the second mortgage. Under the present bill it is 65 per cent

of the actual value, so that when the two are correlated it will be seen that the percentage of the actual value has not been increased.

The Canadian Federation of Agriculture is aware of this problem and has advocated that the percentage of the actual value be increased to 80 per cent for loans up to $8,000. It is significant to note that the largest proportion of the loans made by the board are well under $8,000. In an effort to keep the legislation in line with the desires of the farm organizations in Canada who have made a complete appraisal of the situation, who have made a study of it and who have realized that the percentage of the actual value of the land upon which a loan is made is much too low, I take advantage of this opportunity to correct that situation by moving.

That clause 6 be amended by deleting the word "sixty-five" in line 19 and substituting the word "eighty" therefor.

If this amendment is adopted it will broaden the whole scope of the Canadian farm loan board so it may be able to fulfil more adequately its role as the primary credit agency in Canada, without being limited to the small loans which have been made in the past. By having a larger percentage of the appraised value upon which a loan can be made we will be in position to establish young farmers on economic units, since we will be allowing them sufficient money to permit them to become thoroughly established.

It will also give us an opportunity to keep the procedure of the Canadian farm loan board in pace with the continuing depreciation of the Canadian dollar. It must be recognized that as our dollar depreciates, land values increase. Land which sold for $30 an acre some years ago is now selling for $60 an acre. Unless the percentage of the appraised value is increased it will be virtually impossible for young farmers to get the money required to establish themselves on farm units.

The Deputy Chairman: I am sure the hon. member will not be surprised when I rule this amendment out of order for exactly the same reasons I gave just before the dinner recess when ruling out of order another amendment to the same clause. I do not intend to repeat all that I said before dinner, but I would point out that I am ruling this amendment out of order on the ground that it alters materially the conditions in the resolution which had His Excellency's recommendation. The resolution stated:

That it is expedient to introduce a measure to amend the Canadian Farm Loan Act . . . to allow loans to be made up to sixty-five per cent of the value of the lands.

For the same reasons I gave in connection with the previous amendment I rule that this amendment is out of order.

Mr. McCullough (Moose Mountain): Mr. Chairman, I should like to make some comments on clause 6. I listened with great interest to the hon. member for Greenwood when he more or less philosophized on farming in general. He quoted some very fine words from equally quotable people. I quite agree with the sentiments he expressed.

I feel that what we should do is strike at the hard core of what this bill is proposing. The members of this group feel that we should be thankful for small mercies from this government, but we submit that the present bill as it is constituted, with the amendments that have been made thereto, does not meet the farm financing problem in this country. It falls far short of providing the kind of farm credit administration we need for farming generally in Canada.

I want to support the hon. member for Kindersley and other hon. members in what they have said. I think a new perspective is needed in Canada with respect to farm credit. It has been indicated that this clause which provides for a loan on the basis of 65 per cent of the appraised value of the land is not satisfactory. Anyone who is familiar with agriculture today will agree with that statement. I certainly agree with those who say today that a great extension of farm credit under conditions where farmers, particularly those in western Canada, are operating under a great disparity between their prices and costs and the returns they receive, could be a dangerous thing to the farm economy. However, when one recognizes that the farmer finds himself in a price-cost squeeze and that we have had increases in farm machinery costs and increases all along the line, it is readily recognized that something more adequate should be provided for the Canadian farmers if we are going to maintain and promote the family farm.

There are four objectives we should have in mind when we are thinking of farm credit. The first is the achievement of security of the family farm. Second, attention should be given to the extension of credit which will provide an economic farm unit. Third, the tenant farmer who is presently farming rented land, and who has in mind the final ownership of that land, also needs credit with which he can operate that farm as an economic unit, with the final hope of owning it. Then there is a fourth objective we should have in mind, and that is the father-son relationship, where the father perhaps has been farming over the

years and wishes to turn over his farm to his son and have his farm become the property of that son. If the older farmer wants to retire and turn it over to his son, we need adequate credit so the son may readily get it and carry on in the footsteps of his father.

When we consider that the best this government has to offer in the way of farm credit on a 5 per cent long-term basis, one can readily see that under present conditions, when we have had already this bill to extend farm credit, it could be very dangerous to the farm economy, because everyone recognizes that farming is a hazardous occupation and that the farmer has his economic ups and downs.

I am suggesting, while at the same time we should have long-term credit, that the first problem, of course, is to guarantee fair prices to the farmer. I am not going to enlarge upon that, but I should like to bring to the attention of this committee what is done in the United States, the great capitalist country to the south. Whilst I seldom recommend any of the economic policies of that country for this country, I think this government should at least look across the border and see what is being done in many ways to help the farmer there.

The agricultural attaché here was kind enough to send me certain information in respect to broad policies undertaken with regard to farm credit in the United States. I should like to draw to the committee's attention one important aspect of assisting and financing agriculture in the United States. I have reference to the rural electrification program of the United States, under which over 4,468,000 farms have been electrified. Their interest under that program, which is repayable over a 35-year period, is not 5 per cent or 3½ per cent, such as we have under V.L.A. in this country. The interest rate is 2 per cent; but this government is bringing in legislation, when farmers from one end of the country to the other are in the worst financial difficulties they have ever been in, to offer us nothing better than a 5 per cent long-term program for farm credit.

So I say this bill is completely inadequate. I am suggesting, first, along with the hon. member for Kindersley and others, that the term of credit should be extended from 25 years to 40 years. As was pointed out in the committee of the house which made an investigation into farm credit, if the extension of credit were amortized over a period of 40 years instead of 25 years it would reduce the interest rate payable on an amortized basis so the farmer would in effect be paying less interest than he does under the short-term amortization period. So I am suggesting, if we pass this bill this year, that next year this government take a good hard look at farm credit in this country.

I feel that farming today is in great jeopardy. It is once again hitting the kind of depression we had in the 1930's; and it seems hard, for those of us in close touch with the agricultural picture in this country, to place before this government enough information so it will take seriously the problem facing the farmer today. So I just want to point out that this bill today, as amended, falls far short of the kind of farm credit we should have in this country. The farmers' union, the Canadian Federation of Agriculture and all the great farm bodies have indicated to the government that something more far-reaching than this bill should have been presented to the house at this time. It seems to me that this bill, which was framed many years ago, has been overhauled from time to time, but there has been very little indication that the government has any knowledge of the kind of credit we need for farmers today.

Before sitting down I wish to re-emphasize that the picture I have obtained by surveying the financial situation throughout my constituency—and I think it is comparable to many, particularly on the prairies—is that this is not going to meet the problem. This is nothing more than putting a millstone around the necks of many farmers. Today they cannot sell their grain, and they cannot meet the price-cost squeeze. They will be forced to get bank credit at 5 per cent amortized over 20 years. In effect this will be a millstone around their necks for many years. Rather than having something adequate given to this house, a bill that would play fair with the farmer, one by which the farmer would be able to liquidate his debts, become the full owner of his farm and be able to farm an economic unit on a family basis, we may go back to the corporation farm and more and more see the family unit farm go off the Canadian scene.

In closing I may say that I think the government has been remiss in its duties when it cannot see any way of extending, through the Bank of Canada or otherwise, low interest rates to our farmers. Sometimes we hear it said that the farmers are subsidized. The reason the farmer today needs the kind of credit I am suggesting is the very fact that the farmer, in paying the high prices for farm machinery and other costs, is in effect subsidizing General Motors and the farm machinery companies because he is paying their profits. For example, when General Motors can make over a billion dollars profit

this year, when Canada Packers are able to rebuild complete plants in four years, I say the farmer is subsidizing many industries in this country, and it is not the farmer who is being subsidized.

Mr. Hamilton (York West): I have just a few questions to ask the parliamentary assistant. I notice that in subclause (f) a change has been made so that what would appear to be blended payments of principal and interest are provided on a monthly basis. I wonder if the parliamentary assistant would tell me how that interest is calculated. Is it calculated on a monthly basis as well? The reason for my asking is that if I recall correctly, under the mortgages act of Ontario interest cannot be calculated monthly. I wonder if this ties in with the original part of the legislation.

Mr. Benidickson: This act has not had this provision since its inception. As my hon. friend knows, the blending of principal and interest payments by a monthly method of payment is becoming very common. This bill provides a monthly payment option which has not hitherto been provided. The farmer might have a fairly steady income by the month. Suppose he was in the dairy business; he might prefer to meet his mortgage obligation in this way. The actual calculation of interest and method of blending would be similar to that found in the case of payments under the National Housing Act, with which my hon. friend will be familiar.

Mr. Hamilton (York West): I understand that under those circumstances they are calculated quarterly although payments are made monthly. Is it the same provision here?

The Deputy Chairman: Shall the clause carry?

Mr. Argue: No, Mr. Chairman. The bill as it was sent to the banking and commerce committee provided for a maximum loan period of 25 years. Members who were on that committee will recall that an amendment was moved and accepted by the committee changing the period from 25 to 30 years. At that time some of us expressed the hope that the committee would go one step farther and provide a maximum amortization period of 40 years. If that had been done we would have followed the recommendation made to the committee by the Canadian Federation of Agriculture.

I believe there are good reasons why the committee of the whole should consider extending the maximum period for farm mortgages. A 25-year period with an interest rate of 5 per cent establishes a repayment rate of 7·25 per cent. That rate, with farm income as it usually is established, is a relatively high rate. Extending the period to 30 years will reduce the 7·25 per cent to something under 7 per cent. But if we extended the maximum period to 40 years, even assuming the maximum interest rate were left at 5 per cent, the repayment rate would be reduced to 5·83 per cent. I suggest that a repayment rate of 5·83 per cent is more in keeping with the actual rate that agriculture can bear than the rate of over 7 per cent brought about by the bill.

I was very interested in the committee to hear Dr. Hope relate to us on this point the results of a survey made of the length of term of farm mortgages in Ontario. He gave us this breakdown. Eight per cent of the farms in Ontario were mortgaged for a period in excess of 50 years. Fourteen per cent of the farms were mortgaged for a period of 41 to 48 years. Fourteen per cent of the farms were mortgaged for a period of 33 to 40 years. Seventeen per cent were mortgaged for a period of 25 to 32 years, 16 per cent for a period of 17 to 24 years, 13 per cent for a period of 9 to 16 years, 12 per cent for a period of 1 to 8 years, and 6 per cent had no mortgage at all.

Therefore, according to his sample survey a majority of the farms in Ontario were mortgaged for a period of 25 years or more; to be exact, 53 per cent. We were given this further information by way of breaking down mortgage capital and its source. Fifty per cent of the mortgages were held by individuals other than the seller. Thirty-three per cent of the mortgages were held by the seller. Nine per cent were held by loan companies, 4 per cent were family mortgages and only 3 per cent were mortgages from government agencies, with 1 per cent listed as being under the Veterans' Land Act. Therefore the total mortgage business done in Ontario by government institutions, of which the Canadian farm loan board is certainly the main one, is approximately 3 per cent.

That fact, Mr. Chairman, together with the fact brought out in the survey that 53 per cent of the farms in Ontario carry mortgages for periods in excess of 25 years, suggests to me that the burden of mortgages that must be paid for and serviced by agriculture is indeed high and that the committee should give sympathetic consideration to any improvement that can be made in the bill before us. Therefore I suggest that the maximum period of repayment should be increased from 30 years, as provided in the amendment, to a period of 40 years. I do so with the full support of the Canadian Federation of Agriculture and with the full support of authorities who have looked into the field of farm mortgage credit very carefully. As far as I know, no authority has recommended a maximum

period of less than 30 years, and some authorities have recommended periods even in excess of 40 years. Therefore, Mr. Chairman, I move:

That clause 6 be amended by deleting the word "thirty" in line 35 and substituting the word "forty" therefor.

Mr. Benidickson: I should like to advise the committee that this proposal was presented to the banking and commerce committee. A motion was made in that committee that the term be increased from 25 to 30 years. The motion was then subject to an amendment suggesting that the term be 40 years instead of 30. The vote in the committee on the 40-year term was 6 for and 21 against. When the vote was taken on the 30-year term the vote was 26 for and no one opposed to the term of 30 years.

At that time I for one indicated that I felt there was some evidence that should be taken into account that there was a need of lengthening the term. Some evidence was given as to the term of mortgages in other countries, but I pointed out that having in mind our general practice and mortgage terms in Canada—and I made reference to the National Housing Act—I felt that 30 years was generally considered to be a fairly lengthy mortgage term in this country. As I say, this does not come before us as something new. It is a matter that was dealt with in the banking and commerce committee, where the official opposition and the government supporters opposed a 40-year term but voted for a 30-year term.

Mr. Macdonnell: Those who were in the house earlier will perhaps remember that I favoured an increase in the ceiling of the loan and would have voted for an increase in the valuation percentage, but we did vote in committee against increasing the term from 30 years to 40 years. While you cannot prove that 30 years is the right figure, nevertheless there was an increase from 25 to 30 and it seems to me that 30 years is a pretty long loan. After all, there is such a thing as renewal, and I see no reason to change the vote I gave in the committee.

The Deputy Chairman: Is the committee ready for the question?

Mr. Argue: Mr. Chairman, I think there is a very good reason why a term of 40 years should be provided in the law rather than 30 years. That is the fact, and it is a fact, that it is impossible for farmers generally to meet a high rate of interest on mortgages. The history of mortgage repayments bears that out. Dr. Hope's evidence has been referred to in a very favourable way by members of all parties, and in my opinion he showed conclusively that a long repayment period is necessary.

Some of us have endeavoured to get the mortgage rate of interest reduced by getting the government to accept the carrying and administrative costs of the board. We have not done that because we believe the government should subsidize everything but because we believe a total interest rate of 5 per cent is probably all that agriculture can bear over a long period of time. Even if we provide a mortgage period of 40 years, the effective repayment rate will still remain at 5·83 per cent. A 30-year mortgage is a long mortgage, perhaps, for a private business; I do not know. It may be a long mortgage for a corporation. It may be a long mortgage for individuals other than farmers. But I suggest that in the history of agricultural credit a mortgage term of 40 years over which repayment is to be made is not too long when you consider that any shorter period will increase the repayment rate.

To support my contention that a 5 per cent rate over a 40-year period is the maximum that agriculture generally can support, I should like to refer to the evidence given by Dr. Hope showing the return to the farm operator and for farm family labour over a period of 29 years, from 1926 to 1954, in Canada. Those figures show that the average return to the operator for his labour and management over this 29-year period is less than $1,000 a year; in fact it is just $967, and you may add to that the return to the farm operator for his management and the wages of his unpaid family help, namely another $219, bringing an average total net income to the farm operator and his family of $1,186 a year over a period of 29 years.

With that history of agriculture before us, I think it is fair to say that a rate of 5·83 per cent is the very maximum rate that agriculture generally can bear. I therefore believe the suggestion that the maximum amortization period should be 40 years deserves support by the committee. I would point out to the hon. member for Greenwood something that is obvious, namely that anybody who can repay in 30 years or a shorter period of time has that right. But I am making this plea for a longer period so that many farm operators who must have a longer period in which to repay and a smaller rate of repayment may have this further assistance.

Mr. Benidickson: Mr. Chairman, I think it would be of interest to the committee to have some information as to the experience of the board in their 25 years of operation in so far

as the actual need for longer terms is concerned. I am informed that while most contracts are entered into for the maximum term, which has been 25 years and now will be 30 years, the rate of prepayment of loans is such that the average term over the 25-year period is only 14 years.

Mr. Hodgson: Mr. Chairman, I did not intend to take any part in this debate, but as time has gone on the spirit has moved me to do so. We hear talk about a 40-year term for a mortgage. My friends have mortgages which run for 10-year or 12-year periods. Forty years is the working life of any farmer. A fellow goes on a farm at 25 years of age. That is about as soon as he will get on a farm of his own. With this suggested provision it is going to bring him to the age of 65 or 70 before the mortgage is paid off, or he may die with the mortgage still hanging over the farm. That is like the fellow who lives on the farm all his life and leaves it to his son with a greater mortgage against it than it is worth.

I agree with the hon. member who said that probably the interest rate could be reduced to 4 per cent or 4½ per cent. I think everybody would be pleased about that, even the fellow who is buying the mortgage. As to the 40-year period, I cannot agree with the suggestion at all. If a man cannot see some daylight, or if he does not see some time ahead when he is going to have the mortgage paid off within his lifetime, I think it would be poor business for the farmer who is borrowing the money and also for the government that is lending it.

Mr. Johnson (Kindersley): I am interested to hear our friends in the Conservative party disagreeing with the Canadian Federation of Agriculture so pointedly. One of the specific recommendations of the Canadian Federation of Agriculture is that the amortization period be 40 years. In presenting evidence before the committee they indicated that this was necessary in order—as the hon. member for Assiniboia has pointed out—to reduce the annual payment that must be made. I think anyone who is really concerned about the welfare of agriculture will support the amendment he has moved because, as was pointed out, there are no flexible terms of repayment in the present act—something which the federation is also advocating—so the amount you would repay annually would have some relationship to the productivity to the farm in that particular area. Correspondingly, if there were an extremely low return from the farm, the repayment would be lessened.

By increasing the period of repayment we give to the farmer a greater opportunity to repay the money he has borrowed. He will therefore have a greater amount of capital with which to keep his farm operating. I think we cannot assume that a farmer must be any different to those in a great many other businesses. I believe you will find many businessmen who are 40 years of age or 50 years of age who might happen to borrow $20,000 or $30,000. I do not believe we expect them to have that loan fully repaid in their lifetime, and I do not think it is a terrific burden on them. But in the case of agricultural land which has a significant mortgage-holding capacity, the better the terms of repayment we can give, the better chance agriculture will have to equate itself with the other occupations in Canada.

Mr. Quelch: Mr. Chairman, I might say that we intend to support the amendment, because by increasing the period to 40 years we shall, of course, reduce the amount of the annual payment. The parliamentary assistant referred to the fact that during the past 25 years there has been prepayment, bringing that term down to 14 years.

Mr. Benidickson: On the average.

Mr. Quelch: But the parliamentary assistant must remember that during that period we had a war, which was an inflationary period, followed by another inflationary period; and it is always far easier to pay off debts during a period of inflation than it is during a period of deflation. At the present time we have a situation where net farm income has dropped by 40 per cent in the past five years. If the situation we have today continues I would say that the farmers will not be able to pay their mortgage off in 40 years, let alone in 25 years. I think probably the best thing we can do is to support the amendment to increase the period to 40 years, in order to get the annual payment down to as low a figure as possible.

Mr. Hamilton (York West): Mr. Chairman, my remarks will be few. It seems to me that we very easily could have gone along with a new type of valuation program which would have placed the farmer in a position to make a purchase with a smaller down payment. In that respect I think we might have brought this legislation more in line with the National Housing Act. In providing monthly payments I believe we have set up a program here that will bring within the reach of more people the orderly payment of their indebtedness. But no matter what type of business is involved, if we are going along with the system as we have it now it seems to me that we have to leave some pride in ownership and the acquisition of ownership. If there is not a sense of responsibility left in connection with those things which we attempt to acquire,

we might as well have the government buy all the property and lease it out on a 40-year basis to whomever wants to work it. If ownership means anything, therefore, you have to put something into it. If we are going to provide a period of time so long that in the ordinary course of events many of the people who will be living on these properties will not have paid for them by the time they die, then I think that sense of responsibility will disappear and the country will be the worse for it.

Mr. Montgomery: I did not intend to say anything about this, but since the amendment has come up I wish to say a few words. I have had the opportunity of living in a rural community in which the farmers need loans and apply for them. I think we should be consistent. In requesting the 40-year term I believe the federation of agriculture also had in mind increasing the amount of the loan to $20,000 and the amount of the appraised value from 75 per cent to 80 per cent.

Since we are not going to get an increase in the valuation of the property beyond 65 per cent—I am sorry about that because I feel the government could very well have brought that up to 75 per cent—and since the total amount of the loan is not to go beyond $15,000, I think we must be consistent and say that a 30-year term is a fair term on which to make that loan. A good many of the people to whom I have had the opportunity of speaking thought a term of 30 years or even 25 years would be quite satisfactory, provided they could get an increase in the appraised value. They would rather have had an increase in the appraised value. For these reasons I cannot support the amendment.

Mr. Fraser (Peterborough): What is the payment per month on a $10,000 loan for 30 years as compared to the payment on the same loan for 40 years? Has the parliamentary assistant the figures there?

Mr. Benidickson: I have a figure here. Assuming an interest rate of 5 per cent, per $100 of loan the annual payment would be $6.51 on a 30-year term and it goes down to $5.83 for a 40-year term.

Mr. Fraser (Peterborough): That is less than a dollar, about 70 cents difference per $100 for 10 years. This does not amount to very much on a $10,000 loan; therefore I am not going to vote for the amendment.

Mr. Michener: I wonder if the figure could be given of the total amount that would be repaid if the loan were for 30 years and 40 years, per $100?

[Mr. Hamilton (York West).]

Mr. Benidickson: It is just a matter of mathematics. You multiply $6.51 by 30 and $5.83 by 40.

Mr. Castleden: I should like to point out, Mr. Chairman, in support of the argument that has been advanced for the 40-year period, that it amounts to about this. In the case of the 40 years the payments are less. If agricultural conditions are good, the farmer will be able to repay his loan and be clear of it. If agricultural conditions are bad, then what is going to happen if he does not pay within the 30 years? He is put off the farm. If hon. members to the right look at their argument they will find they are really jeopardizing the farmer, because the whole thing depends upon the agricultural conditions which exist during that period.

The parliamentary assistant has already pointed out that experience shows that even if the period of repayment is 25 years, when farmers are in a position to pay they prepay and get rid of the debt. By extending the period of time you are reducing the likelihood of a foreclosure. It gives the farmer an extra 10 years of grace. As we know from experience in Canada, agricultural conditions change rapidly and on numerous occasions the period of bad times in agriculture has extended over a long period of time. This extra 10 years merely affords these farmers a safeguard and lessens the likelihood of a foreclosure because of inability to pay.

Mr. Michener: I have taken the opportunity of making the calculation and perhaps the parliamentary assistant would verify the figures. It is not a one-way street. If a man borrows $100 for 40 years instead of 30 years, in the 40 years he pays back $233.20 for the $100 he borrowed as against $195.30 that he would pay back in 30 years. In other words there is a difference of $37.90.

Mr. Benidickson: Those are the figures I arrived at.

Mr. Argue: I am amazed at the position of the official opposition in this regard. I can understand the government, which has control of the public purse, feeling that it should look at this matter cautiously, carefully and in a conservative manner before agreeing to further extend the period when they have already extended the 25 years to 30 years.

Mr. Macdonnell: Don't you do that?

Mr. Argue: If the Conservatives are announcing tonight that they are going to be across the way after the next election, as the hon. member for Kamloops is suggesting, then I suggest that by their statements they are saying that so far as policy is concerned they are going to do exactly the same as the

government now in office. In this discussion the parliamentary assistant has been able to sit back rather contently and allow the members of the official opposition to advance arguments against the position taken by the Canadian Federation of Agriculture. Perhaps the 30 years, as the period of the loan under the Liberal government, would not be any different from 30 years under a Conservative government. The Conservatives say you should not extend the 30 years to 40 because it would cost the farmer too much. Why then do they want to extend the 25 years to 30 years? Why did the hon. member for Greenwood try so hard—and I admired him for that—to be the person who would extend the 25 to 30, and hold his position for 10 minutes by beating down government members on an amendment which had been agreed to by the government? If the hon. member for St. Paul's had been coaching him, he could have pointed out that the farmer would save a lot more if the period had been 25 years instead of 30. As a matter of fact the farmer would save a lot if he did not have to get a loan at all. If the Conservatives followed their argument to its logical conclusion they would want to reduce the period even further.

Then the hon. member for Victoria-Carleton said the federation of agriculture had three proposals. One was to increase the percentage of the appraised value; the second was to set the maximum loan above the 65 per cent and then he said they wanted the maximum loan to go beyond $15,000. The third proposal was to increase the 25 years to 40, and he said that depended on getting the other two, and that unless they got all three they were not going to support one of them. I suggest that even if the government has said no to an increase in the 65 per cent, as it has; even if the government has said no to an increase in the maximum amount of the loan, that is no reason why we should not at this time attempt to get an increase in the period of repayment.

The rate of repayment, as has been pointed out, for a 30-year period is $6.51. The rate of repayment for a 40-year period is $5.83. Someone may say there is not too much difference between these figures, a difference of some three-quarters of 1 per cent; but I suggest to the members of the committee that in a period like the present, when farm income is so low, there is a great deal of difference between $5.83 and $6.51, and that farmers will have real difficulty in meeting even $5.83 and, of course, even more difficulty in paying $6.51. All of us would like to see farm mortgages kept in practice to as short a period as possible; all of us would like to see farmers in the position where they would be able to pay their mortgages in a short time. But we should not penalize the farmer by keeping the period at 30 years if there is any possible chance of getting the maximum period extended to 40 years.

Someone has said we would be keeping the mortgage on the farm until the farmer is 70 years of age. Well, that is nothing new; and any change we make in this legislation is not likely to change the position in Ontario, the statistics of which I referred to a moment ago.

I do not think it is necessarily a question of a given farmer taking out a mortgage and himself repaying it. That is desirable, but I do not think it is essential. We have a National Housing Act. Some of the mortgages are a very high percentage of the sale value. I have never had the privilege of buying a house, but I am told by those people who buy houses and by people who sell them from time to time that you have a much better chance to sell a city house at a reasonable price if there is a substantial mortgage against it and therefore the cash payment is low.

I suggest that a farmer is more likely to sell his farm with ease at a fair market price if the down payment is not too high. If a man on reaching the age of 70 has a farm with a Canadian farm loan board mortgage on it which has not reached the period of 40 years and he decides to sell the farm, I suggest that he will dispose of his property more easily if there is a mortgage on it at a reasonable rate of interest and the cash payment to obtain the farm is therefore lower than if there were no mortgage against it and the farmer had to demand full cash when he sold the farm. Therefore I suggest we should not compare the 40-year term with the normal productivity of a farm. That is not too material. I think it is good business that agricultural mortgages generally should carry a low rate of repayment.

Mr. Charlton: Mr. Chairman, I had not intended to say anything about this bill at all, but I think our friends to the left are being very pessimistic. If they were in power would farm conditions be so poor that they would require 40 years to pay back a mortgage. I suggest that by saying what he has just said the hon. member for Assiniboia is being so pessimistic that he thinks farming is not going to be any better in the next several years. I suggest to him that our policy would make farming so much better that we would not need any legislation like this.

The Deputy Chairman: The question is on the amendment. Will those in favour of the

amendment please rise, and will hon. members please remain standing until requested to take their seats.

Amendment negatived: Yeas, 20; nays, 83.

Clause agreed to.

Clauses 7 to 11 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

INDUSTRIAL DEVELOPMENT BANK ACT

AMENDMENTS TO ENLARGE CLASSES OF LOANS, ETC.

The house in committee on Bill No. 165, to amend the Industrial Development Bank Act—Mr. Harris—Mr. Applewhaite in the chair.

On clause 1—*Industrial enterprise.*

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Chairman, the minister when introducing this legislation, gave quite a lengthy outline of its purposes, which is contained in *Hansard* of March 8, commencing at page 1921, and I do not think any further explanation is required in a general way.

This bill now comes to the house after having been considered by the banking and commerce committee, which had the benefit of hearing, among other witnesses, the president and also the general manager of the bank. I think an attempt was made there to try to eliminate discussions that did not have particular reference to this bill and might go a little further afield on to general monetary and banking policy. The reason was that it was known in the banking and commerce committee that the president of the bank in his capacity as governor of the Bank of Canada would, within a few days, be again appearing before the banking and commerce committee to discuss the Bank of Canada report. I would hope, Mr. Chairman, that on the same basis, difficult sometimes as it may be, it would appeal to the judgment of the committee similarly to try to keep the discussion to the industrial development bank amending bill rather than have a general discussion of monetary policy.

Mr. Macdonnell: Mr. Chairman, as the parliamentary assistant has said, this bill was discussed at length by the committee and I shall be very brief in the remarks I shall make. But I think it might perhaps be of some use to those here present who were not on the committee if I were to make one or two general observations as to the purport of this amending bill.

[The Deputy Chairman.]

In the main the amending bill does two things. It extends the scope of "industrial enterprise" or "industrial business" and it alters the proportion of the lending funds of the bank which may be used for loans of $200,000 and over. It does not increase the total amount the bank may lend, which depends upon the capital and reserve of the bank.

I would remind hon. members that the industrial development bank was designed really to fill a gap in our financial structure. A loan may be required for a longer term than a bank may be prepared to give it, yet it may not be large enough to warrant a bond issue in the ordinary course. You have thus an in-between situation which is filled by the industrial development bank, I think to the satisfaction of virtually all concerned. Although there was some misgiving on one point which I shall come to later, the banks have found that the industrial development bank fitted into the pattern of the financial structure of the country. One satisfactory aspect of the operations of the industrial development bank is that it has kept in close touch, and I think in useful touch, with the chartered banks.

I would point out the safeguards that exist. The bank is given the power to deal only with certain things. Those of us who had the advantage of hearing the governor of the bank I am sure will feel that it has remained in the area it was intended to cover. The impression we got from him was that he was content and did not wish to step outside. The governor put aside certain suggestions for expanding the operations of the bank, saying they were organized and equipped to scrutinize and deal with industrial enterprises, that that was really the scope of their operations and they should not extend it.

One of the questions he was asked was in connection with the provision that a loan may not be granted by the industrial development bank unless evidence is given that it has not been possible to obtain it elsewhere on reasonable terms. We asked him if that provision was taken seriously or treated in a routine manner, and he said it was far from routine. He told us that in a great many cases the industrial development bank would be in actual touch with other institutions from which loans had been requested, such as the chartered banks, and therefore the borrower had the advantage of having discussed the matter with both agencies.

The important point of this bill is to raise the amount which may be lent out in loans of $200,000 or more. Originally that was put at $25 million, it was raised to $50 million and it is now proposed to raise it to $75 million. The actual amount now outstanding

in loans of $200,000 or over is substantially less than $50 million. When we asked the governor why he wanted this substantial extention he said that they were doing a job and they might as well do an adequate job. He said it seemed worth while to get a substantial further authorization.

Having regard to the fact that the bank was established originally to fill a gap, to do what the chartered banks were not completely organized to do, I was reassured to find that while the bank has played a useful part there has been no wild attempt to rush out for business. Indeed I would say that the bank has pursued the even tenor of its way. As far as I am concerned I think that is what it was intended to do. I think anyone who needs a loan of this kind can easily get in touch with the bank and get whatever accommodation he is entitled to.

There was one answer made by the governor of the bank I was interested in. When speaking about large loans he said that the largest loan made was for $4 million, which was much larger than any other loan. He said that there had been only three or four other loans as high as $1 million. The $4 million loan was made in special circumstances to a defence industry because of the type of work it was called upon to do.

Mr. Benidickson: That was some years ago, close to the Korean war outbreak.

Mr. Macdonnell: I mention that because there may be others who like myself did not want to feel that this organization was trying to rock the boat by entering into competition with the chartered banks and other financial institutions.

Another point I had in my mind when this bill was announced was that it might be in effect going contrary to the restrictive credit measures we have been told about, that to some extent this would be going in the opposite direction. The question was whether this implied in effect a substantial creation of new money. Was it going contrary to the other things that were being done? I think the governor replied to the questions in that connection quite satisfactorily. When we asked if money loaned in this way would mean the creation of new money, while in a sense he said yes it could be, in the same breath he said that the bank by marketing methods could prevent a situation from actually resulting in the creation of new money.

But even more impressive than that, the feeling I got was that they were not going to be rushing out to make a number of large loans, that there was no intention of trying to change the bank from what it had been into an organization which would try to spread itself all over the landscape. To sum up, I think one can fairly say that up to the present the bank has gone along the lines it was intended to follow, that it has been well run and has worked in harmony with the other agencies in the financial structure of this country. The main thing is that the new bill is not intended to increase the total amount which the bank will have available for lending but merely to increase the amount which may be lent in loans of $200,000 and more.

As I listened to the governor of the bank I felt that it had been conducted in a sensible fashion and that this was not going to be taken as an occasion to rush out and try to change the present character of the bank.

Mr. Argue: Mr. Chairman, we in this group, unlike the hon. member for Greenwood, would like to see the industrial development bank expand. We would like to see it stretch out. We would like to see it act aggressively in going after new business. We would like to see it do these things mainly because we would like to see new industries developed, and further because we would like to see new industries developed by Canadian capital.

We hear much about the desirability and the necessity of increasing the proportion of Canadian industries being developed by Canadian capital. Here is a bank, here is a Canadian enterprise in the business of promoting new Canadian industry with Canadian capital. I do not think the members of the official opposition are being completely consistent when they express the hope that the industrial development bank will not become aggressive, will not stretch out, will not expand at a rapid rate.

I repeat that I would like to see the industrial development bank use its authority and the money which is being made available to it by parliament in an aggressive way to establish new Canadian industries. I would like to see the industrial development bank come back to parliament in the near future for more funds, for the reason that it has in a short period of time successfully invested the funds it now has in new Canadian enterprises for the benefit of Canadians generally.

Looking over the annual report of the industrial development bank and the amount of business it has done in various provinces, I cannot help being struck by the overwhelming preponderance of business that is done in the two central provinces as compared with the little amount of business being done, generally speaking, in the maritime and the prairie regions. I express the hope here that the industrial development bank will be successful in promoting new

industries, not only all across Canada but to a greater extent, particularly, in the maritimes and on the prairies. I like to see Canada industrialized, but I like to see all parts of Canada share in that industrialization. To the extent that the industrial development bank can use its policies to allow Canadians in all provinces to share in that industrial development, I wish it great success.

Mr. Benidickson: The president does not disagree with that policy.

Mr. Argue: No, I do not think he does. I do not know that he agreed with that policy, but I think, all other things being equal, he would agree with it. I pointed out to him in the committee that the trend seemed to be adverse, as far as industries on the prairies are concerned, as compared to industries in central Canada. The trend seemed to be downward instead of upward; that the prairies seemed to be getting a relatively smaller portion of business generally. When I asked the president those questions, he said to me that there was no thought at all of discrimination, that it was a matter of applying the same set of rules to a given number of applications, and that these just happened to be the results.

Mr. Benidickson: And your test period was relatively short.

Mr. Argue: The test period I used was the test period in the annual report. The report points out the authorization for the full ten-year period, the full period the bank has been in operation, and then gives the gross authorizations for the fiscal year 1955. If I might refer to those figures at the present time, the figures for authorizations to September 30, 1955, show that Ontario got some $29 million in authorizations, Manitoba just under $4 million, Saskatchewan just over $4 million, and Alberta somewhat under $7 million. However, the gross authorizations for the fiscal year 1955 were $5½ million for Ontario; three quarters of a million for Manitoba; $150,000 in round figures for Saskatchewan; and $450,000 in round figures for Alberta.

If you add up the authorizations for the full period to September 30, 1955, for Manitoba, Saskatchewan and Alberta combined, you arrive at a figure of about $14 million, or approximately half the amount made available for industries in the province of Ontario. If you take the single year 1955 and add up the figures for the three prairie provinces, you get some $1·4 million as compared with $5·5 million, or about one-quarter of the amount that was disbursed in Ontario. In other words, for the full period the three prairie provinces combined obtained about half as much money as Ontario alone.

For the latest year, the three prairie provinces combined obtained approximately one-quarter of the amount obtained by Ontario. Then, as I am from Saskatchewan, the figure that naturally comes to my attention is the extremely low figure of $153,000 for that one-year period for Saskatchewan as compared with most of the other provinces.

An hon. Member: What are the figures for the maritimes?

Mr. Argue: The maritime figures for the one year are, for Nova Scotia, approximately $255,000; for New Brunswick, $210,000; Prince Edward Island, none; and Newfoundland, none. So there was less than half a million dollars for the four maritime provinces, if I may call them that, as compared to $5½ million for the province of Ontario alone.

I think the industrial development bank should continue its policy of opening new branch offices, and those branch offices should be dispersed across the nation. I was glad to note that a new office is being opened in Calgary. I expressed the opinion in the committee, and I express it here again, that another office should be opened, namely in the province of Saskatchewan. I would further suggest that much more attention might be paid to industrial development in the maritime provinces.

We wish to use this bank because we want to see more industrialization, and we like to see industry develop through the use of Canadian funds. I would like to see the work of the bank extended so that industries may be developed more uniformly all across the nation, and so that Canadians in each and every province may to a greater extent share in the benefits of industrialization.

Whilst we support clause 1, which extends the interpretation of "industrial enterprise", we would like to see the government give some further consideration to an even wider interpretation of those words. The interpretation of "industrial enterprise" at this time is confined to manufacturing, processing, distribution, electricity, and so forth. I think a good case can be made for including in the general field of industrial enterprise the enterprise that some of us, for lack of a better term, might call "service enterprise".

We had before the banking and commerce committee a man who showed undoubted ability as a witness, no matter what we may have thought of the case he made. I refer to Mr. Caswell, head of the Ontario hotel association, who asked the committee to consider extending the interpretation of clause 1 to

include loans to hotel operators and hotel proprietors. Mr. Caswell went on to point out that the hotel industry was very essential to this nation; that hotel facilities in many, if not all, cities in Canada left much to be desired, and that adequate hotel accommodation would in fact improve the wealth of the nation by improving our tourist traffic.

Though I cannot refer to this at any length, we have just concluded the discussion of a loan policy for agriculture, and particularly a policy of making credit available for agriculture. The government has a policy, as defined in the Industrial Development Bank Act, to promote industries and new industrial development, and we are now discussing that policy. But there is an important section of our nation that is completely overlooked, I am afraid, as far as government policy is concerned. I refer to the ordinary independent businessman of this country. I refer to the hotelkeepers, the general merchants, the independent merchants whose services have meant so much to the country.

I suggest to the parliamentary assistant that the government should consider the extension of this act, and if that is not appropriate then the introduction of new legislation to provide for long-term credit at reasonable rates of interest to the ordinary independent merchant and businessman, the small businessman if you like, whose services are important to the nation and who at the moment, through no fault of his own, is unable to stand up against the ruthless competition of the big monopolies in these fields.

I do not know what other members may think, but I was certainly amazed to hear Mr. Caswell make the statement that the vast majority of hotel proprietors who wish to obtain new long-term mortgage capital to extend their businesses or for major renovations have in fact to pay a very substantial bonus on the capital they obtain. He told us of a personal experience he had when, in asking for a certain loan of $90,000 on a hotel, he was offered a mortgage with a face value of $117,000, in other words with a bonus attached of $27,000, together with an interest rate of 8 per cent. He did not have to take it because he was able to get his money elsewhere, but he was offered mortgage money at a rate of approximately 15 per cent a year. If that had been an isolated case one would not need to mention it, but Mr. Caswell told the banking and commerce committee that the majority of hotel proprietors in this country who want to obtain new capital to expand their businesses must pay a very heavy bonus when they obtain a mortgage, and that the final rate they pay is anywhere from 10 to 15 per cent per year.

I suggest that gives further impetus to the need for a new credit policy in this field in order to give the ordinary businessman something of a break and provide him with long-term credit at an interest rate that will more closely approach the interest rate at which the big chain stores and monopolies in the nation are able to obtain their credit. We in this group are pleased to support the measure. We hope the industrial development bank will be used to a much greater extent in the future.

Mr. Blackmore: Mr. Chairman, the members of the Social Credit group have studied this legislation both in the committee and outside the committee and we are in favour of it. We feel that it is only a small beginning in the direction of a much greater development which must take place in Canada if industry is to develop as we all desire to see it develop. We are living in an age of great combines and mergers and powerful monopolies that are able to compete more than successfully with their less fortunate smaller neighbours. Unless, therefore, government assistance is made available to the struggling smaller concerns they will simply have to succumb to the greater power of the competition they face.

In the United States this problem was met years ago by the establishment of the reconstruction finance corporation. The time is long overdue for Canada to have an extensive reconstruction finance corporation. When we stop to consider the experience we Albertans have had in trying to develop the oil industry in Alberta and now a gas industry, just to use those two as examples; when we remember that our men who began to develop the oil industry went to every concern in Canada and Great Britain in an endeavour to find capital with which to develop these oil resources and found that it was impossible to obtain capital from either one of these sources and finally had to go to the United States in order to get the necessary capital to drill the wells and develop these resources, these things alone should impress upon us the fact that it is utterly impossible for Canada to develop her industries and resources as she should unless she has the assistance of powerful government aid backed by no less a concern than the Bank of Canada itself.

What has already been said by the hon. member for Assiniboia and the hon. member for Greenwood is sufficient; it is not necessary for me to repeat what they have said. I will simply say that the Social Credit group is heartily in favour of the act and wishes it to be extended with all possible speed and at just as great a scope of growth as is possible under the conditions that confront us.

Mr. Hamilton (York West): Mr. Chairman, I should not like to let this occasion pass without saying a few words in connection with the industrial development bank, and I shall try to avoid any repetition of what I might otherwise have said. I happen to have seen the bank in action at close range, and there is no doubt about the very useful function it performs as part of our general financing set-up. I believe it fills very ably the gap between the legislation which enables our chartered banks to carry on certain phases of business and the system that exists in the United States which enables their local banking houses to take such security as mortgages on real property and to lend money on chattels and articles of that kind.

I think too the bank has filled a very useful function with respect to the financing of air companies. As a matter of fact, I might say that for a period of time it was most difficult for that type of company to obtain the necessary financing to cover the expansion of their services. There was a period in which the ordinary type of financing available through finance houses with respect to the acquisition of planes ceased to exist, and until this type of loan came along it was most difficult for such companies to add to their roster of planes.

I said once before and I should like to repeat that certainly if the bank is going to fulfil its true role it must be expanded. I might be sorry that some of this financing is not being carried out by the chartered institutions, but if this is the vehicle to provide this type of financing then very definitely, as has been suggested, it should be expanded from coast to coast. I am delighted to see that in a small way at least there is a beginning along that line. As a matter of fact, I am more delighted to know that the very loyal employees of the bank, who had a definite ceiling put on their future, now have the opportunity to have their services made much more use of in the expanding affairs of the bank.

If I may say one other thing, and I perhaps will refer to it when we come to one of the specific sections, I think there should be a considerable increase in the discretionary power of the local managers in this type of institution. I do not think it is something that should be carried on by a manager at Vancouver with a low discretionary limit of $5,000 or some type of limit of that kind, anything exceeding that amount having to be forwarded to the head office of the bank for approval. It seems to me that there should be greater manoeuvrability in the various offices of the bank in order to see that the servicing of the customers is done in a quicker manner so that in the long run they will be much better satisfied with the services.

Generally speaking there is no doubt about the usefulness of the really essential function this bank is performing in our economy. I believe we welcome strongly the indication that this influence is to be spread on a much broader basis.

Mr. Gillis: Mr. Chairman, I feel that I would be remiss in my duties if I did not say a few words on this item. As most hon. members of the house know, industrial development is badly needed in the maritime provinces, and it has been badly needed for some considerable time. I was in the house when this bank legislation was introduced, and I visualized that the bank was to be an instrument by means of which capital could be secured at lower rates of interest and on longer terms of repayment than could be obtained from the regular chartered banks. The name itself suggests that the intention of the legislation was to assist in industrial development and expansion.

However, it seems to me that the figures that are contained in this report and which were put on the record by the hon. member for Assiniboia confirm the old adage, "To him that hath shall be given", because in the central provinces where capital is available and where industrial expansion has gone on apace since the end of the war, it seems that is where the greatest amount of money has been lent by the industrial development bank for industrial expansion, I would assume in the provinces of Ontario and Quebec.

The reason I am interested at this time is to inform the house that in speaking recently to the Canadian Labour Congress in Toronto and commenting on resolutions that were before that convention setting out the difficulties and disabilities of the maritimes, the Prime Minister issued a challenge and said that the initiative for the solution of these problems rested with the maritimes themselves, and that when they laid the proper ground work and had recommendations to make, the federal government would be glad to help.

I should just like to say that a great deal of ground work has been done in the maritimes over the years. The Nova Scotia government have a department of industry. I notice they are running to the United States looking for money largely to help in developing some industry in that area.

Mr. Studer: Saskatchewan does, too.

Mr. Gillis: They must go somewhere. Apparently there is not any risk capital in

this country. When dealing with things all the way from a pulp mill to a pipe line you must go outside for the money or come with your hat in hand to the government and say, "You can establish the thing for us, but you do not have any say in the operation of it." However, we have tried in that end of the country. The government has set up a department of industry. In addition to that we have seen the formation of the Atlantic provinces economic council that is doing the economic surveys as to the possibility of the location of industry, as to marketing and what can be done. All that material is being assembled. In many communities there are industrial development boards. They are trying to raise some local money. But any project that is worth while is too big to be financed in the community.

I always understood that the industrial development bank was an instrument that should be available to the provincial governments, and that if they wanted to establish a project funds should be made available to the provincial government through this medium. The department of industry in Nova Scotia at least will make loans—they are not very substantial—to projects that are economically sound in the community; and when companies are formed and the legal formalities have been gone through, they can raise some money, but it is not adequate in most cases. I am wondering why under this legislation this bank could not be used as a public investment body for the purpose of assisting in areas where it is not so easy to raise capital.

During the years 1953, 1954 and 1955 the maritime provinces have been doing a great deal in regard to bringing about their own rehabilitation. But on looking at the report I notice that there is not even an office in the maritimes. The report lists the officers and supervisors. It sets out Toronto, Winnipeg and Vancouver; but for the Atlantic provinces it lists 901 Victoria Square, Montreal, Quebec. That is a long way from the maritimes.

In any case, this legislation is little known. Not much is done to advertise it. During the years it has been operating my conception has been that anyone who can qualify for a loan under the legislation setting up the industrial development bank can get that money at the chartered banks, because your collateral must be fairly substantial and fairly secure. Anyone whom I have seen apply and who did get his loan, could have got it from the chartered banks. I know quite a few people who were turned down and who told me that, as far as they were concerned, if they could have met the requirements of the industrial development bank they could have obtained the money at the regular chartered banks, but they just did not have that kind of credit.

There is another consideration. I do not think this bank is serving the purpose it should serve. The municipalities across this country are floating bond issues for school projects. They put their bonds on the market and in many instances they are sold in the United States, and they are losing 5 per cent to 8 per cent on the dollar.

Mr. Pickersgill: How could they do that?

Mr. Gillis: By them giving you 90 cents on your dollar for your bonds; that is how they do it.

Mr. Pickersgill: The dollar is at par.

Mr. Gillis: Not when you are floating bonds. If the Minister of Citizenship and Immigration were going to invest $100,000 in a community, I am sure he would not take bonds for $100,000 with no interest. He would naturally expect to make 4 per cent or 5 per cent or 6 per cent. Even the industrial development bank want 6 per cent on their dollar. Hence if you borrow $100,000 and you pay back that $100,000 plus interest, that is the same thing the small communities that are floating bonds are doing. Why could not the bond issues of municipalities be financed through an instrument like the industrial development bank?

I know that in the end of the country from which I come there were communities in which credit unions, out of the earnings of the workers, had to buy up bond issues to finance school projects. Of course over the long pull they will make money out of that, and that money is staying in the community. It is a thing I advocate; but the finances of credit unions are not adequate to handle such projects.

So far as I am concerned I go along with the hon. member for Assiniboia. It seems to me that most of our legislation in this country today is not national legislation. When you have offices across the country starting in Vancouver and ending in Montreal, you have not a national organization. The same thing could be said of most of the projects in which the federal government is engaged. It is true of the pipe line. Somebody says it is an across-Canada proposal, but it is not. It is coming from Alberta and ending in Montreal, yet everybody in this country will be expected to finance some of it out of taxation. That is true of the industrial development bank. If this bank is to serve the purposes I heard outlined when the legislation was introduced, then there should be offices in at least all the major cities across Canada.

Mr. Benidickson: My hon. friend will be glad to know that an office is soon to be opened in Halifax.

Mr. Gillis: I am glad to hear that. It has taken us a long time to get around to it. If that office had been in Halifax during the last three years when there has been an upsurge in that end of the country, when they have been trying to pull themselves up by their bootstraps, people would have been able to go in and talk over their problems. They might have been able to get some help, or at least ascertain the defects in the legislation and try to get them cured.

I am disappointed in the report. I am sure the Minister of Citizenship and Immigration will be quite pleased to know that for the year 1955 Newfoundland is zero, and so is Prince Edward Island. I qualify that by saying that the premier of Newfoundland is doing an excellent job in financing his own industries and keeping them out of the hands of other people. He is not farming out the resources over which he has control to capital outside the country, and possibly that is the reason the figure is zero. Prince Edward Island is a rural province, and perhaps there would not be too much demand for loans.

Mr. Benidickson: There would have to be an application.

Mr. Gillis: The figures for New Brunswick and Nova Scotia are deplorable. I believe this legislation was passed in 1943, and I am glad to hear that in 1956 we have come to the point of realizing we should have at least one office in the maritimes. That is progress. I hope when this matter is under discussion again in the Department of Finance the parliamentary assistant will try to broaden the scope of the legislation to the extent that provincial governments, like Newfoundland, who set up their own projects will be able to borrow from this bank for industrial purposes. They should be able to go there and talk over their money problems with the expectation of getting something rather than having to run all over the country or to the United States. After the trial period the bank has had, I am disappointed. I do not think it has done very much in so far as my end of the country is concerned.

Mr. Barnett: I have one or two questions I should like to ask the parliamentary assistant while we are on clause 1. Is it the opinion of the government that the word "goods" in paragraph (d), subparagraph (i) of the definition section would include ships and vessels?

Mr. Benidickson: Yes, Mr. Chairman, under British law "goods" would include ships and vessels.

[Mr. Gillis.]

Mr. Barnett: The reason for asking this question is that in the former definition section ships and vessels are specifically referred to, whereas in the new definition section there is no reference to them.

Mr. Benidickson: That question was specifically raised with the president, and according to his advice vessels and ships are covered by this definition.

Mr. Barnett: Perhaps I may pursue that matter further. Would it be the understanding of the government that the warehousing of goods would include the warehousing of ships and vessels? In other words, would an enterprise which was designed to provide facilities for the docking and storing of vessels be classified as an industrial enterprise?

Mr. Benidickson: Well, "goods" continues to have the same definition. The warehousing of goods—goods includes ships and vessels.

Mr. Barnett: So that a private dock or warehouse could conceivably qualify if it met the other terms and conditions under the act?

Mr. Herridge: Will the parliamentary assistant say whether the industrial development bank has been in the habit of lending money to companies operating in Canada but completely owned and controlled in the United States.

Mr. Benidickson: I think that question was asked of the president. As I recall, he said the bank did not particularly look at the nationality of the shareholders of a company borrowing from the bank and conceivably in the many hundreds of loans made it was possible a loan had been made to the subsidiary of a United States company. He felt it was a rather rare situation.

Mr. Herridge: In other words, yes; and not too rare, either.

Mr. Benidickson: He said "likely rare".

Mr. Zaplitny: I should like to ask under clause 1, which defines an industrial enterprise, whether a co-operative association is eligible for consideration?

Mr. Benidickson: I do not think so, Mr. Chairman, any more than it is anticipated that this section would cover refinancing for a commercial bank.

Mr. Zaplitny: I missed the last part of the parliamentary assistant's answer where he referred to the refinancing of some type of bank. Would he repeat it?

Mr. Benidickson: I may have thought my hon. friend was asking about a co-operative lending institution, and if that is not so then

the mere fact an enterprise was on a co-operative basis would not prevent consideration. I was thinking of a credit union.

Mr. Zaplitny: Perhaps I should make my question a little more specific. There are a number of co-operatives which are in the business of either manufacturing or assembling, like the co-operative implement industry. Let us say they wanted to build an addition to the plant they now own, would they be considered an industrial enterprise within the meaning of this act?

Mr. Benidickson: I recall specifically that the president illustrated a loan of a similar nature to a co-operative warehouse organization, a cold storage organization.

Mr. Zaplitny: Then I take it a co-operative association, provided it is engaged in one of the enterprises described in clause 1, would be eligible for a loan in the same manner as any other enterprise?

Mr. Benidickson: I think so.

Mr. Hamilton (York West): I wonder whether the parliamentary assistant would look at the wording of paragraph (d) (iii). It seems to me that there may be a surplus of language in this section starting at line 15. If we go back to the definition section we find that it says:

"industrial enterprise" means an enterprise in which is carried on a business of (i) . . . transporting or warehousing of goods.

If we carry the same wording through we get:

—in which is carried on the business of (iii) . . . the transportation of persons.

That is line 16 of subparagraph (iii). Mixed in there are these words:

. . . or operating a commercial air service.

A previous reference to commercial air service was in section 15 (a). It seems to me there was no necessity of taking the actual words out of that section and adding them to the definition section, because the transportation of goods and the transportation of persons would appear to cover the situation. The only other thing I might be able to guess from this wording is that perhaps it was meant to cover "or operating a commercial service for the transportation of persons". Perhaps the parliamentary assistant might be able to throw some light on the wording of the section.

Mr. Benidickson: Mr. Chairman, my hon. friend will recall that when the act was opened up the last time and the definition of "industrial enterprise" was widened, one of the major classes of industries that a loan was provided for was a commercial air service. Because of that and its relative importance I think air services has been given an additional specific mention here.

Mr. Hamilton (York West): Does it not leave some confusion here, though? Is it necessary for these words to be in? I thought the parliamentary assistant might say well, there was some type of commercial air service which was involved in doing something other than transporting persons and goods. I can think of some type of aerial magnetic survey, but at the same time it is covered by the words "transportation of persons or goods". I would think that the words "or operating a commercial air service" in this case are surplus words which might lead to confusion, and they should be deleted. I give you that suggestion, sir. Whether I should move an amendment to have these three or four words deleted I do not know, but I should like to have your comments on it.

Mr. Benidickson: Mr. Chairman, I think my hon. friend would be about the last person to take any chance by eliminating the words "commercial air service", because I know that in his riding the air industry is of great importance. I am sure these words are put in here by the draftsman of the bank after very careful consideration. As I say, I certainly think he would be the last one to suggest removing them when they certainly might include a class of air business that might not specifically involve the transportation of goods or persons. I think he gave an illustration when he mentioned hiring planes for some scientific purpose.

Clause agreed to.

On clause 2—*Bank continued.*

Mr. Hamilton (York West): Mr. Chairman, this clause apparently deletes the reference to the assistant deputy governor, who apparently was an additional party when referred to along with the board of directors in various clauses of the act. Has there been someone else appointed who carries out the functions of that particular person, or have his duties been eliminated pretty well completely?

Mr. Benidickson: This amendment to the Industrial Development Bank Act is consequent upon an amendment that was made two years ago to the Bank of Canada Act. This particular title was eliminated in the Bank of Canada. Under the Industrial Development Bank Act that official, when the office existed, did have specifically a place on the board of this bank.

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*Loans, investments and guarantees.*

Mr. Zaplitny: Mr. Chairman, clause 5 describes the conditions under which the board can consider making those loans. The first part of the section says:

> Subject to section 14, where in the opinion of the board or of an officer authorized for that purpose by the board.
>
> (c) the amount invested or to be invested in the industrial enterprise by persons other than the bank and the character of that investment are such as to afford the bank reasonable protection.

I would like the parliamentary assistant to tell us, on the basis of experience so far, what has been considered as a reasonable protection to this bank so far as security is concerned. What is the ratio? If I may use the example that was used half an hour ago, it was defined that the amount of the loan should be in relation to a certain appraisal of the property concerned. This does not specify any particular ratio. What is said to be reasonable protection?

Mr. Benidickson: The president, in giving evidence on this question, indicated that there was no hard and fast rule as to the equity that should be in the business by the borrower. The reason is that the type of investment varies, particularly in a complicated corporate structure. You would have several types of securities, one junior to another, and it requires an analysis of the exact position and equity of the borrower. There is no hard and fast rule. I think the officers of the bank indicated they would normally like about a 50 per cent equity on the part of the borrower.

Mr. Zaplitny: I have just one more question on that. I notice in the paragraph they refer to the amount of the investment and also to the character of the investment. Can the parliamentary assistant tell us where the distinction lies as between the amount of the investment to be considered and the character of the investment? What is the distinction between those two terms?

Mr. Benidickson: The character is the type of security in which the bank is going to make its investment or take as security. Now, it could be real estate, the fixed asset of the business. Under this amendment we are giving the bank rather wider powers, and now they can not only make a loan, they can purchase debentures of the borrowing company, and that is the character. The security could very well be a bond or a preferred stock or it might be equity capital or assets in real property.

Clause stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue this debate and then take the Canadian Citizenship Act; then the resolution in my name with respect to the Tariff Board Act and then the budgetary resolutions with respect to income tax and the Customs Tariff.

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

ANSWERS TO QUESTIONS

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

WHEAT—FREIGHT CAR DISTRIBUTION

Question No. 399—**Mr. Diefenbaker:**

1. Who is responsible for freight car distribution for the transport of wheat from line elevators?
2. On what basis are such cars distributed or allocated among marketing centres?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2.

The Canadian wheat board, the railways, the grain elevator companies and the transport controller are jointly responsible to a varying degree for the distribution of box cars for the transport of grain from line elevators.

The grain elevator companies receive authority from the Canadian wheat board to ship grain either against specific shipping instructions issued by the board or against open shipping orders for specified grades or classes of grain which are authorized by the board from time to time.

On receipt of the board's authorizations, the grain elevator companies advise their agents at the individual points who, in turn, place orders for cars with the local railway agent. It then becomes the responsibility of the railway to supply the cars.

In this connection, the railway companies are instructed by the transport controller to spot cars at elevators at each shipping point in proportion to the outstanding orders approved for that point.

The Canadian wheat board keeps the railway companies continuously advised of the space, marketing, quota and car requirement position at each and every shipping station in western Canada so that the railway companies, to the extent that railroading operations will permit, will be in a position when supplying cars to preference such cars to the lower quota delivery stations.

INDIAN AFFAIRS—EDUCATIONAL COURSES, PRINCE ALBERT

Question No. 428—**Mr. Campbell:**

What are the names of the Indians who attended the short course on agriculture and home economics recently held at Prince Albert, Saskatchewan, and what reserves were they from?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

Name—men—reserve:

James Accoose, Sakimay; Arthur Ahenakew, Ahtahkakoops; John Bighead, Beardy's; John Blind, Gordon's; Debert Brass, Key; Donald Cardinal, Onion Lake; Calvin Charles, Wm. Twatt's; Freddie Carter, Onion Lake; Stewart Crain, John Smith; Claude Friday, Cote; Ronald George, Ochapowace; Ken Goodwill, Standing Buffalo; George Horse, Thunderchild; Bernard Kapay, Day Star; Eugene Keshane, Keeseekoose; Harold Roberts, Wm. Twatt's; Harvey Kingfisher, Wm. Twatt's; Ralph Ledoux, Mistawasis; Bernard McKay, Kahkewistahaw; Chief Lawrence Thompson, Carry-the-Kettle; George McKay, Peepeekisis; Alex Mike, Beardy's; Norman Papequash, Key; Sidney Pelletier, Cowessess; Baptiste Peters, Wm. Twatt's; Mr. Lance Ahenakew, Ahtahkakoops; Leslie Soonias, Red Pheasant; Charlie Waskewitch, Onion Lake; Peter Wuttunee, Red Pheasant; David Quewezance, Keeseekoose.

Name—women—reserve:

Noreen Ahenakew, Ahtahkakoops; Mrs. Rose Atimoyoo, Little Pine; Mrs. G. Bear, Meadow Lake; Verna Bear, John Smith; Shirley Bellgarde, Peepeekisis; Bernadette Bighead, Beardy's; Dorothy Bird, Wm. Charles; Mrs. Marian Carter, Onion Lake; Sylvia Cote, Cote; Yvonne Cote, Cote; Mrs. Adele Derocher, Meadow Lake; Mabel Henderson, Wm. Charles; Eleanor Quewezance, Keeseekoose; Mary Helen Quewezance, Keeseekoose; Helen Seeseequasis, Beardy's; Mrs. Angelina Roberts; Wm. Twatt's; Eileen Shepherd, White Bear; Daisy Stewart, Wm. Charles; Bernice Stonechild, Peepeekisis; Mrs. Elizabeth Thompson, Carry-the-Kettle; Eileen Watcheston, Ochapowace; Shirley Worm, Day Star; Victoria Eagle, Moose Woods Sioux; Melvina Eagle, Moose Woods Sioux; Mrs. Grace Ahenakew, Ahtahkakoops.

FREIGHT ASSISTANCE, FEED GRAINS

Question No. 430—**Mr. Pommer:**

What were the amounts paid out by the federal treasury on freight assistance on western feed grains shipped to (a) British Columbia; (b) Ontario; (c) Quebec, during the calendar year 1955?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

(a) $1,357,320.76.

(b) $3,802,474.37.

(c) $7,313,840.99.

VETERANS LAND ACT—HOUSING APPLICATIONS

Question No. 433—**Mr. Brooks:**

1. How many applications for the building of homes by veterans under part II of the Veterans Land Act have been received by the Department of Veterans Affairs up to April 1, 1956?
2. How many (a) were approved; (b) have been constructed; (c) are in process of construction?

Questions

Answer by: **Mr. Bennett, Parliamentary Assistant, for the Minister of Veterans Affairs:**

1. 590.
2. (a) 537; (b) 39; (c) 462.

FOOD IMPORTS FROM COMMUNIST COUNTRIES

Question No. 435—**Mr. Fraser (Peterborough):**

1. Were any food products, canned, frozen or fresh, imported into Canada from China or any other communistic controlled countries in (a) 1955; (b) the first three months of 1956?

2. If so, what kind, in what quantity and of what value?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. (a) Yes. (b) Statistics for the first three months of 1956 are not available.

2. Imports of food products from communistic controlled countries in 1955 were as follows:

Country	Commodity	Lb.	Value
China	Peanuts, green, shelled or not	1,101,602	$ 142,538
	Walnuts, not shelled	205,940	24,080
	Walnuts, shelled	4,473,920	1,531,762
	Spices, n.o.p., unground	28,000	2,675
	Tea, black	18,766	9,468
	Egg albumen, dried, evaporated, desiccated or powdered	83,800	74,976
	Egg yolk, dried, evaporated, desiccated or powdered	10,000	6,082
	Eggs (whole), dried, evaporated, dessicated or powdered	31,000	18,917
Czechoslovakia	Biscuits, not sweetened, n.o.p.	500	204
	Biscuits, sweetened, n.o.p.	240	90
	Confectionery, coated with or containing chocolate	14,156	7,550
	Sugar candy, and confectionery, n.o.p., candied pop corn, candied nuts and sweetmeats	3,166	704
	Cocoa or chocolate, preparations of, n.o.p.	2,438	1,236
Poland	Fruit pulp, with sugar or not, n.o.p.	77,175	7,291
	Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats	13,228	1,080
	Mushrooms and truffles, n.o.p.	220	670
	Confectionery, coated with or containing chocolate	8,640	1,161
	Sugar candy, and confectionery, n.o.p., candied pop corn, candied nuts and sweetmeats	38,221	4,008
U.S.S.R.	Other articles, the produce of the fisheries, n.o.p.	——	623
Yugoslavia	Walnuts, shelled	55,114	21,214
	Pastes, hash and all similar products, composed of vegetables and meat or fish or both, n.o.p.	4,861	2,147
	Ginger and spices, n.o.p., ground	6,278	1,890
	Seeds, aromatic, crude	13,361	932
	Hops	20,044	14,393
	Sardines, anchovies and sprats, canned	16,162	9,728

GRAIN RESEARCH LABORATORY, WINNIPEG—PERSONNEL

Question No. 436—**Mr. Pommer:**

1. How many persons are employed by the grain research laboratory under the board of grain commissioners, at Winnipeg, Manitoba?
2. What are their names and respective salaries?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. Forty.
2.

Name	Salary
Anderson, Dr. J. A.	$9,100
Hylnka, Dr. I.	7,680
Meredith, Dr. W. O. S.	6,660
Irvine, Dr. G. N.	6,660
Dempster, Dr. C. J.	6,180
Cunningham, Dr. D. K.	6,420
Bass, Dr. E. J.	5,820
Levi, I.	4,950
Bushuk, W. (on leave without pay)	4,230
Birnboim, M. H.	4,500
Aitken, T. R.	6,270
Martens, V.	4,860
Fisher, H. M.	4,860
Bettner, R. E.	4,080

Name	Salary
Hughes, H. E.	3,780
Podolak, W.	3,060
Kuzina, F. D.	3,360
Ponting, H. J.	3,480
LeSeelleur, G. C.	3,480
Black, H. C.	3,480
Kilborn, R. H.	3,480
Rerie, K. J.	3,480
Bradley, J. W.	3,480
Waugh, J.	3,480
Cheale, R. J.	3,360
Mitchelson, A. D.	2,070
Bowman, R. J.	2,190
Solomon, J.	2,970
Thompson, G. A.	2,070
Davidson, W.	2,190
Hayes, F. E.	2,070
Glufka, S. R.	1,950
McLean, R. D.	2,070
Worobey, P. E.	2,070
Webster, Miss H. M.	3,360
Kowcun, Miss M.	3,360
Shrom, Miss M.	2,400
Kilborn, Mrs. M.	2,640
Rushak, Mrs. B. M.	2,070
Kustra, S. J.	2,610

LIME ASSISTANCE FOR FARMERS, N.S.

Question No. 445—**Mr. Buchanan:**

1. Did the federal government pay for lime assistance for farmers in Nova Scotia in the last fiscal year?

2. If so, how much?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. Yes.

2. $61,346.51 on 41,036 tons of lime distributed.

COAL SUBVENTION PAYMENTS, N.S.

Question No. 454—**Mr. McCulloch (Pictou):**

1. What is the rate of subvention per ton applying at the present time in respect of coal produced in Nova Scotia?

2. How much did the federal government pay in subventions in the past fiscal year for coal produced in Nova Scotia?

Answer by: **Hon. George Prudham (Minister of Mines and Technical Surveys):**

1. The rates of subvention applying at the present time in respect of movement of coal produced in Nova Scotia are set out in the Nova Scotia coal subvention regulations, being part of order in council P.C. 1956-382 of March 8, 1956. In some cases, the actual rate of subvention being set by the order as the difference in laid-down cost between Nova Scotia and imported coal will not be finally determined until the audit of these costs has been completed later in the year.

2. The amount of money paid by the federal government in the fiscal year ending March 31, 1956 in subventions on movement of coal produced in Nova Scotia was $8,393,952.52.

HOUSE OF COMMONS

Tuesday, May 8, 1956

The house met at 2.30 p.m.

PIPE LINES

TRANS-CANADA PIPE LINES—ANNOUNCEMENT RESPECTING CONSTRUCTION OF WESTERN SECTION

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I should like to make a short statement regarding plans for the building of an all-Canadian natural gas pipe line.

In the government's opinion it is of the utmost urgency that the all-Canadian pipe line should get under way at once, and that the section between the Alberta-Saskatchewan border and Winnipeg be completed during the 1956 season. I believe that this opinion is shared by all parties in the house.

The resolution now before the house proposes that the government, in co-operation with the province of Alberta, build the northern Ontario section—with the province of Ontario. Did I say Alberta?

Mr. Knowles: Wrong again.

Mr. Howe (Port Arthur): —in co-operation with the province of Ontario, build the northern Ontario section of the all-Canadian line and lease it to Trans-Canada Pipe Lines Limited. Both the federal and Ontario governments continue to support this proposal. It has always been understood, however, that the construction of this section will not begin until Trans-Canada is in a position to finance and build the remainder of the line between Alberta and Montreal.

During recent weeks the government has urged upon Trans-Canada the desirability of a start on the construction of the western section in 1956. The Trans-Canada company replied that they are ready to start as soon as they can arrange the necessary financing. They have all the necessary permits from Alberta and from Canada; they have gas purchase contracts with gas producers in Alberta; they have contracted for the sale of gas to consumers in Canada and the United States; and they have an option on pipe of the required 34-inch diameter, which is presently being stacked outside the pipe mills in the United States.

In spite of their best endeavours, however, they have not been able to obtain guarantees that the money necessary to finance either the whole of the line, apart from the northern Ontario section, or the western section, would be forthcoming in advance of approval by the federal power commission of their contract for the sale of gas into the United States.

What was to be done?

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): Should the government in effect abandon Trans-Canada by failing to extend the contract to construct and lease the northern Ontario section? In the first place this would have been unfair to the Trans-Canada company, which had just satisfied both the Alberta conservation board and the board of transport commissioners that its permits should be renewed for a further six months. In the second place, such action would have added to the delays in obtaining approval of the export of gas to the United States, which is apparently essential to the economic operation of the proposed pipe line, at least in its early stages.

Apart altogether from these important considerations, it became evident to the government that to abandon Trans-Canada now was to give up any hope of starting the western section this year and perhaps next year. The most important reason for this is that Trans-Canada has an option on the only adequate supply of 34-inch pipe available for delivery in time for laying during the 1956 construction season. My officers inform me also that the earliest delivery date for orders for 34-inch pipe placed now would be not earlier than the fourth quarter of 1957. Therefore, to abandon Trans-Canada in favour of any other private group was to abandon any hope of a start on the western section of the pipe line in 1956 and perhaps in 1957.

On the other hand, it seemed equally clear that even the government itself, if it chose to build and obtained parliamentary authority, could not get under way this year or perhaps next year unless it could reach some sort of agreement to take over Trans-Canada as a going concern, compensate the shareholders and agree to continue in effect the contracts for the sale of gas into the United States, which are related to the option on the 34-inch pipe.

After careful and prolonged consideration the government therefore asked Trans-Canada

whether it would be prepared to construct the western section in 1956 if the government would advance a substantial portion, not to exceed 90 per cent, of the cost of construction, at an interest rate of 5 per cent per annum for a short period. I emphasize that the approach came from the government, not Trans-Canada. Trans-Canada was not in default. It was prepared to wait another year, if necessary, although it was anxious to get started in 1956 if that was possible. The company was unable to proceed with the construction simply because of the fact that the federal power commission had not yet approved the importation of Canadian gas into the United States, and consequently the company was unable to prove to the financial institutions that it had a financeable project.

As security the government asked the Trans-Canada company to mortgage and pledge all its properties, assets and undertakings. It also asked the shareholders of the company to give the government an option on all their shares at a price representing paid-in value less the amounts provided by Trans-Canada for the construction of the western section and interest on the government advance. In the event of foreclosure the government would have the option of taking over Trans-Canada as a going concern or of returning the shares and the assets not related to the western section or the northern Ontario section and proceeding independently of Trans-Canada.

I am pleased to be able to report that the company has agreed to this proposal and that the shareholders, all of whom have agreed in principle, are now in the process of signing the necessary documents. This proposal, if ratified by parliament within a reasonable time, means:

(1) that the western section of the all-Canadian pipe line will be built in 1956;

(2) that, if Trans-Canada is successful in financing the whole line by the date of repayment, namely March 31, 1957, the advance will be repaid and the construction of the remainder of the line will proceed as originally planned;

(3) if, on the other hand, the advance is not repaid by the due date or there is any other default, the government can take over the line and be in a position to take whatever other steps are necessary and approved by parliament to ensure speedy completion.

By this action we will free ourselves not from the assistance of United States capital and know-how, which are valuable ingredients in the building of a natural gas pipe line, but from having to await the decisions of the United States federal power commission.

[Mr. Howe (Port Arthur).]

This proposal offers an opportunity for an immediate start on construction. It gives the Trans-Canada company an adequate opportunity to demonstrate that it can finance the whole of the line. It ensures that the completion of the all-Canadian pipe line will not be further delayed by uncertainties about the decision of the federal power commission. It does not commit us to public ownership, but it recognizes that if there are too many handicaps in the way of private enterprise, the government may have to take over and construct the whole of the line as a national enterprise.

Mr. Coldwell: Do it now.

Mr. Fulton: You are the biggest handicap.

Mr. Howe (Port Arthur): Is the young man from Kamloops being very funny?

Mr. Fulton: Here he is.

Mr. Howe (Port Arthur): I am trying to make a serious statement here. It is a pity that I am not given the opportunity to do so.

Mr. Fulton: You are not succeeding very well.

Mr. Speaker: Order.

Mr. Howe (Port Arthur): In my view the prospect of public ownership of a natural gas pipe line is not one that should arouse enthusiasm. On the other hand, if public ownership is the only way in which this great national enterprise can proceed, we should not refuse to grasp the nettle. In a country like Canada it is of the greatest importance, however, that private enterprise should be given an adequate opportunity and every reasonable facility to do the job.

Mr. Ellis: With government money.

Mr. Howe (Port Arthur): There is still a good chance that the obstacles in the way of private financing will be cleared away before the proposed advance falls due. I believe, in particular, that the United States authority understands the importance to Canada of an early decision with respect to the application now before it for the import of gas from Canada.

I have therefore tabled a resolution in somewhat broader terms than the resolution already on the order paper, although within the same over-all financial limits. As soon as they have been signed, I shall also table the relevant agreements with the Trans-Canada company and its shareholders.

The building of the trans-Canada pipe line is a great national project, comparable in importance and in magnitude to the building of the St. Lawrence seaway. Hon. members will recall that Canada waited for many years for action by the United States that would

permit the seaway project to go forward as a joint undertaking. It was only when Canada announced that this country would build the seaway independently of the United States that the project took definite form. The action proposed today is another declaration of independence by Canada, affecting the building of an all-Canadian pipe line.

Mr. Fulton: It is a treaty of surrender.

Mr. Howe (Port Arthur): The resolution now being introduced is notice to all concerned that the all-Canadian pipe line will proceed without awaiting the action of any agency of another government.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, my first comment in regard to this truly fantastic announcement is to urge the Prime Minister (Mr. St. Laurent) to reconsider now, immediately, the proposal made at the beginning of this session that this whole subject be referred to the standing committee on railways, canals and telegraph lines, or in the alternative to a select committee so this subject may be examined at once.

Mr. Bennett: Another delay.

Mr. Drew: Talk about delay comes strangely from anyone sitting on the other side behind a government which has had this chosen instrument under its control for over five years and has warned off private investors who would have undertaken, and were prepared to undertake, the development of this pipe line.

Some hon. Members: Oh, oh.

Mr. Drew: Now, Mr. Speaker, the proposal before us is one which I submit should call for consideration because this certainly, so far as the recipient is concerned, is a case of "heads I win, tails you lose". The Minister of Trade and Commerce (Mr. Howe) tells us that the Trans-Canada Pipe Lines company has been prepared to graciously accept an offer to receive 90 per cent of the cost of construction of the easiest portion of this pipe line. The reason I am making this request in all earnestness to the Prime Minister at this point is that I do not think there is an hon. member in this house, including the Minister of Trade and Commerce, who is not quite certain that there were Canadians who would have been ready to go ahead on the same basis. In fact we have before us now, belatedly, the evidence that there were at least two responsible Canadian groups ready to proceed without any such encouragement as 90 per cent of the actual cost of construction.

What is being proposed today is that this government arrange the majority financing of this venture. We have been told, without any evidence from Trans-Canada, that Canadians could not finance this. We are now told by the Minister of Trade and Commerce that Canadians are going to finance it through the channel of the government, but it is Canadian money just the same. If Canadians are able to finance it this way, they could finance it the other way if they had half a chance under this government. I therefore do submit that the Prime Minister should immediately take steps either to refer this to the standing committee on railways, canals and telegraph lines, which is a standing committee and could act immediately, or that a select committee be set up so that amongst others Mr. McMahon and Mr. Gairdner could be brought before that committee to explain their proposals, and also offer the opportunity to others to come forward and see what could be done.

We have the statement, which has not been satisfactorily challenged, that there are others ready to proceed without government intervention, and now the Canadian taxpayers are told that, to the extent of 90 per cent of the cost of the easiest portion of this whole line, Canadian taxpayers' money is going to do the financing. And that, of course, is going to be done to build a pipe line which will be under an organization which is 83 per cent owned by investors in the United States.

An hon. Member: What about the C.P.R.?

Mr. Drew: Mr. Speaker, I heard the question asked, "What about the C.P.R.?" The C.P.R. was financed by money from outside of Canada; it was financed by money mainly from Britain. May I make it clear, in spite of the misrepresentation which has been made by certain hon. members sitting opposite, that we have at no time objected to investment from the United States.

Some hon. Members: Oh, oh.

Mr. Drew: Mr. Speaker—

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, the anvil chorus is following instructions; the trained seals have now learned to make a sound in unison.

One of the provisions in connection with the financing of the Canadian Pacific was that the majority of the directors and the president at all times must be British subjects. That was incorporated in the statute. At that time there was no separate Canadian citizenship, and it was clearly understood that that related to Canadian citizenship. That has always been observed, and the hon. member who interjected the question about

the C.P.R. might well point out to his colleagues that if any similar method of financing is to be employed by private investment in this way it would be well for the government to introduce into the legislation a similar provision that the president and a majority of the board of directors must at all times be citizens of Canada. That certainly will be particularly true if the taxpayers' money is to be used to finance this venture, as is now suggested.

The Minister of Trade and Commerce, with that facility that he has in offering promises which are not subsequently fulfilled, has said, "We free ourselves from the necessity of having to wait for the permission of the federal power commission." They free themselves from no such necessity whatever. He has made it clear again today that the eastern part of this line carrying the gas into Ontario and Quebec is dependent upon the permission of the federal power commission. They free themselves in no way from that permission. In fact they make it much more likely that the decision will be delayed and that it will be very strenuously fought, because one of the arguments that has been put up is that this is a government-subsidized venture which they do not want to have competing with their lines in the United States. Here certainly will be subsidy on a grand scale, 90 per cent of the cost.

When the Minister of Trade and Commerce says, "What were we to do?" I say, "Well, months ago they could have invited, as we suggested in this house, the proposals by others, or even by the Trans-Canada itself, under an appropriate organization, to do this job as a Canadian job and with the assurance that the president and a majority of the directors at all times would be Canadians."

Do not let anyone pretend for a moment that the fact that a majority of the directors at this time are Canadians has anything whatever to do with the control of this company. Those directors hold one share each. The real holdings in this case are in the hands of large organizations which undoubtedly are perfectly legitimate organizations in their own field. Make no mistake about it, however. We have the anomaly here that we have been told that Canadians cannot finance this, and now the government says, whether you like it or not, you Canadians are going to finance it, but you are going to finance it in the way that the government deems best.

Mr. Diefenbaker: By bailing them out.

Mr. Drew: What this really amounts to is that the government, and now the caucus of the Liberal party, as indicated by their trained applause, have agreed to bail out the Minister of Trade and Commerce from the confusion into which he got himself by the course he has followed. The present Minister of Trade and Commerce can be too expensive a luxury for Canada under circumstances of that kind.

The interesting thing, Mr. Speaker, is that all those who have so roundly applauded this strange and unique proposal for making Canadians finance a United States-controlled venture did not know about it until late this morning. It is wonderful that they were able to come to a decision so much more quickly than the government as to the correctness of this proposal.

I repeat, Mr. Speaker, that this proposal is one which calls for examination. It is not going to delay the building of this pipe line. This can be done speedily. There is a standing committee which could be set up tomorrow to start this inquiry. Let us have the facts; we have not the facts now.

Mr. Bennett: I'll say you haven't.

Mr. Rowe: You got them only this morning.

Mr. Drew: The hon. member for Grey North very wisely says, "You haven't got the facts". He did not have them until this morning, either.

Mr. Bennett: Mr. Speaker, on a question of privilege, I did not say that. The Leader of the Opposition said, "We haven't got the facts", and I said that was obvious.

Mr. Drew: Mr. Speaker, the remark stands exactly as it was put on the record. The hon. member for Grey North who now suggests that others should have had this information is one of those who came to such a speedy decision when the whip was cracked this morning in the Liberal caucus.

Now, Mr. Speaker, the Minister of Trade and Commerce said that he was trying to make a serious statement. It is a serious statement, one of the most serious that has been made in this house. What this amounts to is an invitation—

An hon. Member: Why don't you try one some time?

Mr. Drew: —to investors in the United States to come to Canada and be financed to the extent of 90 cents of every dollar, and still retain control over the investment under terms that would be entirely satisfactory to them. Now, let us by all means have investment from the United States—

Some hon. Members: Hear, hear.

Mr. Drew: It was not so loud this time.

Mr. Rowe: They are quietening down; they are beginning to learn.

Mr. Diefenbaker: It is a little different kind of applause this time.

Mr. Drew: —but let us have that investment under terms which assure effective supervision and control for Canadians in relation to one of the most important of our resources, and by all means let us have this investment on a basis that represents real investment from the United States. Let us not be told that we are gaining some advantage when the government announces that Canadians are going to finance this through the channel of the government and then, if the company can go ahead, get control of the whole venture after the pipe line has been completed with Canadian public money; a strange way indeed of financing a venture of this kind. This is surely very attractive to everyone but Canadian investors. Where is there a single group of Canadian inyestors who have been offered such attractive terms as these?

I am making a serious statement, just exactly as the Minister of Trade and Commerce did, and I am saying that in relation to such a unique and fantastic proposal it is the obligation of the Prime Minister to avail himself of the machinery already set up by parliament and refer this for immediate consideration to the standing committee on railways, canals and telegraph lines so the facts may be obtained from Mr. McMahon, from Mr. Gairdner and from others, and that we may learn what actually lies behind this strange proposal.

It would, I submit, be a strange thing, after more than five years' delay, if we were called upon to deal with this matter without referring it to the committee set up for that purpose in the usual way.

Mr. M. J. Coldwell (Rosetown-Biggar): The Minister of Trade and Commerce, in introducing this proposal into the house this afternoon, has called this a great national undertaking—

Mr. Diefenbaker: Disaster.

Mr. Coldwell: —and as such I and many others in this house and in the country regard it. As a great national undertaking it is being undertaken today, if this proposal is approved by the House of Commons, by corporations which to the extent of 83·5 per cent are under the control of powerful United States gas and oil companies. How can that be a great national undertaking? As such I want to regard it.

The minister also said that private enterprise should be given an adequate chance to carry out this great proposal. Private enterprise? When we agree that the government of Canada and the government of Ontario, if the government of Ontario still agrees, will finance the undertaking of the unproductive area of the line from Ontario to Manitoba? Now we have this strange proposition of the government coming before this house and telling us that not only shall we finance with Ontario the whole of that pipe line through that region, but we are also going to finance, indirectly or directly, 90 per cent of the western portion of this line.

Mr. Knowles: Private enterprise!

Mr. Coldwell: Private enterprise? Abracadabra! What do we find? I shall take a rough average. At the moment we find that 95 or 96 per cent of the construction of this Canada gas pipe line is to be undertaken, one way or the other, by the public of Canada. How ridiculous can this House of Commons become? How great a sell-out can the government make of the people of Canada? I am convinced that if they placed this proposition before the people of Canada, either by plebiscite or in a general election, it would be turned down completely.

I have been in this house for 20 years. I have read the history of Canada from confederation. I remember the great attempts that were made by the predecessors of this government to retain the integrity of this country economically, socially and politically, and I want to say to my hon. friends that never in the history of this country has there been a proposal before this house which would tend to defeat the independence and economic integrity of this country as this one does.

I say to the government and to the Minister of Trade and Commerce, let them go before the people of Canada at this time to see what will happen to them. I am convinced, from correspondence and from people with whom I am in contact, that there was never a more unpopular proposition put before the people of Canada than this.

Ladies and gentlemen, I want to say that the opposition—

Some hon. Members: Oh.

Mr. Coldwell: Very fortunately for this parliament, I can say "ladies and gentlemen." I wish we had more ladies in this house. But, hon. gentlemen, if this were placed before the people of Canada I am certain that the people of Canada would return a verdict of no confidence in the government.

Pipe Lines

The Minister of Trade and Commerce indicated very clearly that under certain circumstances it might be essential to take this over as a public undertaking. If we are going to finance, through the province of Ontario and through this parliament of Canada, some 95 or 96 per cent of the cost of this undertaking at the present time, why not do it as a completely public undertaking? Why not go back to the original proposal of the premier of Ontario that the government of Canada and the governments of the provinces concerned should together build this pipe line, and that each province should distribute the gas under an organization which it cares to set up?

In Ontario we have the power commission of this province, of which every Ontario member of parliament or of the legislature is very proud indeed, distributing electric power. In my province of Saskatchewan we have a similar power commission distributing electric power, and the province of Saskatchewan already has taken up the option granted by the Manyberries field owners of gas in Alberta and of gas within the province of Saskatchewan, so they are going to build their own pipe line and distribute gas in that province to their own people under their own authority, the provincial power commission. So I say to my hon. friends that we have in Manitoba, in Saskatchewan and in Ontario the machinery ready to distribute the gas.

My hon. friends on the other side of the house say this government does not wish to be involved in negotiations with various municipalities, and with various cities and towns in the distribution of gas. The federal government does not have to be involved in that respect. Already the machinery has been set up in several of our provinces. Instead of providing the finances for United States corporations controlling 83·5 per cent of this particular project, why not do this as a Canadian undertaking, under Canadian auspices, with Canadian ownership, with Canadian guidance, and serve the Canadian people without building enormous profits for private United States economic buccaneers?

Mr. Victor Quelch (Acadia): Mr. Speaker, I would just like to say that the members of this group are glad the decision has finally been made to make an immediate start on the western leg of the pipe line. We reserve any further comments until such time as the measure comes before the house.

[Mr. Coldwell.]

INQUIRY FOR RETURN

HAMILTON AND DISTRICT TRADES AND LABOUR COUNCIL

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): May I address a question to the Postmaster General? Can the Postmaster General tell me when the motion that was adopted as an order for the production of papers on April 16 will be tabled? That was No. 58.

Hon. Hugues Lapointe (Postmaster General): I shall look into the matter. I thought it had been tabled. I know it was prepared.

LABOUR CONDITIONS

RAILWAYS AND NON-OPERATING UNIONS—REPORTED BREAKDOWN OF MEETING OF MAY 8

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the breakdown of this morning's discussions between the railway companies and the union representatives, will the government hold a conference with the railway companies so as to impress upon them the desirability of accepting the majority report of the conciliation board?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have been advised that the meeting in Montreal this morning was discontinued. I have also been informed that I shall be hearing from the two parties concerned later. Until then I have no comment to make.

[*Later:*]

On the orders of the day:

Mr. Knowles: Mr. Speaker, I wish to direct a question to the Prime Minister supplementary to the question I asked of the Minister of Labour. In view of the compulsion imposed upon railway workers in 1950 and threatened by the government once or twice since, just what attitude does the government take toward the railway companies in the light of their refusal to go along with the report of the conciliation board? Does responsibility not now rest with the government itself?

Right Hon. L. S. St. Laurent (Prime Minister): The responsibility does not rest with the government itself, legally or technically, but the government does feel that this parliament has a responsibility to the Canadian people in respect of the operation of transportation services.

Mr. Knowles: Will the Prime Minister look into the desirability of impressing upon the railways the importance of accepting the report of the conciliation board?

Mr. St. Laurent (Quebec East): Well, Mr. Speaker, no decision has been reached on that point, but I can assure the hon. gentleman that we have been giving earnest consideration to the problem and we still hope there will be no interruption in transportation services.

STATEMENT REGARDING IMPENDING SEAMEN'S STRIKE ON GREAT LAKES

On the orders of the day:

Mr. G. D. Weaver (Churchill): I should like to address a question to the Minister of Labour. In view of the importance to western Canada of the movement of grain at this time, would the Minister of Labour make a statement regarding the reported shipping strike on the great lakes?

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I thank the hon. member for Churchill for sending me notice of his question. As this dispute has reached an interesting stage in its development, I should like to take advantage of this opportunity to give the house a fairly full account of the background of the dispute.

On December 14, 1955, the association of lake carriers representing Canada Steamship Lines Limited, Colonial Steamships Limited, N. M. Paterson and Sons Limited, Upper Lakes and St. Lawrence Transportation Company Limited, Hall Corporation of Canada, Mohawk Navigation Company Limited and Beaconsfield Steamships Limited, served notice on the seafarers' international union of North America, Canadian district, requesting the union to commence collective bargaining.

On January 12, 1956, the seafarers' international union of North America, Canadian district, requested the services of a conciliation officer and listed the issues in dispute which were: (1) A change-over from the traditional system of payment by the month to payment by the hour and also an increase in wages. The union asked for a schedule of hourly rates ranging from $1.50 per hour to $2.03 per hour, depending on classifications. (2) Fourteen days annual vacation with basic pay to be computed on a daily basis, vacation pay to commence on the first day for which wages are paid and conclude on the last day for which wages are paid. (3) Eight statutory holidays to be paid for at the rates established for work performed on Saturdays and Sundays. (4) Normal work week shall be the five week days of eight hours per day, Monday through Friday. (5) There shall be paid to those whose work exceeds 40 hours payment of double the basic hourly rate. (6) A company contribution of 20 cents per day per man to the welfare plan.

Inquiries of the Ministry

On January 16, 1956, I appointed a conciliation officer. On January 27, 1956, the conciliation officer reported to me that he was not able to bring the parties to a settlement, and he recommended that a conciliation board be established. On January 31, 1956, a conciliation board was established. The board was under the chairmanship of His Honour Judge Walter Little of Parry Sound, Ontario. The other two members were J. Clifford Adams, Q.C., and John Raymond, nominees of the companies and union respectively.

The board met in Toronto on March 14 and in Montreal on March 28 and 29 and submitted its report on April 17, 1956. The report of the board stated that there were three issues between the parties which offered difficulty of settlement, these being:

(a) The schedule of hourly rates involving a shift from a monthly basis of payment to an hourly basis of payment, and calling for substantial increases in rates of remuneration.

(b) Limitation on hours of work.

(c) Increased payment for overtime work.

The board attempted to persuade the parties to enter into negotiations with respect to these major items with the following results:

(a) The union representative insisted that the companies concede the hourly method of payment instead of the monthly method before negotiations could commence.

(b) Counsel for the companies stated that they were prepared to offer a reasonable increase and suggested that consideration of the hourly or monthly method of remuneration should be deferred without prejudice pending determination of the amount of wage increase acceptable. The wage increase would be tabled before the board if the union would admit that some substantial reduction in the total increase demanded would be acceptable.

(c) The union would not agree to defer consideration of the method of payment, and would not, the board said, indicate even privately to the board what modifications, if any, in its original proposal it was prepared to accept.

The board in its report said in part:

The union appeared to be under the impression that it would seriously prejudice its position if it were to discuss the amount of total increase without first having obtained the agreement of the companies to an hourly basis of payment. Without such prior commitment the union did not appear to be interested in finding out what amount of increase the companies thought was reasonable.

Under these circumstances the board could not make any progress towards conciliating the dispute and, therefore, feel obliged to conclude the proceedings by making this report.

With respect to most of the issues, as indicated above, we do not believe that the parties would have any difficulty in resolving them, and probably any comments from this board would not assist

the parties. With respect to the three major items referred to above, the material filed with us does not establish any basis upon which we could make specific or positive recommendations.

These parties have been in contractual relationships for several years and the present remuneration, working conditions and methods of computing pay are all the result of previous collective bargaining between these parties. It would require the most cogent and compelling evidence to justify changes in these arrangements which would amount to approximately 98 per cent of the present labour costs of the companies involved. We are unable to find such evidence in the material presented to us. On the other hand, the companies appear disposed to make a reasonable increase. Under the circumstances we do not think it proper to press the companies to disclose the amount of increase which they consider reasonable.

It is obvious to us that these parties must resume direct negotiations at some time in the near future, and that it is probably better for all concerned if any offer of increase which the companies might wish to make should be withheld until such time as there is reasonable prospect of direct negotiations being resumed on a normal and usual basis.

On May 7, which was yesterday—

Mr. Speaker: Is there not some other way to get this information on the record? I see there are two more pages. Perhaps the minister could summarize, or perhaps he could ask for the unanimous consent of the house to place the material on the record.

Mr. Rowe: Take the brief as read.

Mr. Gregg: I should like to have this statement complete because I do not think the information is within the knowledge of most hon. members. However, if it is the will of the house I would be quite willing to have the three telegrams I was proposing to quote, and which are dated yesterday, placed on the record.

Mr. Speaker: I take it that hon. members would like to have the information. I am sorry I interrupted. The minister may go ahead and complete the statement. I take it that the hon. member for Winnipeg North Centre would like to see the end of the statement.

Mr. Rowe: Everybody would.

Mr. Brooks: We all would.

Mr. Knowles: On a question of privilege, I think that might be misunderstood. I should like to hear the whole of the statement.

Mr. Rowe: Answer the question fully.

Mr. Gregg: Yesterday, May 7, I received the following telegram from Mr. Hal C. Banks of the union.

Regret to inform you that the unlicensed personnel employed by N. M. Paterson and Sons Limited and Upper Lakes and St. Lawrence Transportation Company Limited have voted on a referendum ballot by a majority of 98 per cent to withdraw from the service and call a legal strike on the above companies to commence noon Thursday May 10th, 1956. The above companies are the only lakes companies that will be affected at this point in so far as this union is concerned. Respectfully offer our wholehearted support and assistance in any efforts that you may deem necessary to avoid this very serious development.

On the same day—that is yesterday, May 7—I received from Mr. T. R. McLagan for the employers the following telegram:

The negotiating committee of the Association of Lake Carriers met with the bargaining committee of the Seafarers International Union at Montreal today as arranged. During the course of the meeting the association made an offer of settlement of the dispute which the union rejected. The union maintains its original position and informs the association that the unlicensed personnel employed by N. M. Paterson and Sons and Upper Lakes and St. Lawrence Transportation Company Limited would strike at noon on tenth of May. This association through its bargaining committee stands ready to continue negotiation with a view to effecting a settlement of the dispute and avoiding a major transportation crisis.

Late yesterday, May 7, to the telegram received from the representative of the union I replied as follows:

I have your wire of this date advising of the union's intention to have the unlicensed personnel represented by your union employed by N. M. Paterson and Sons and Great Lakes and St. Lawrence Transportation Company Limited embark upon a strike effective at noon tenth May. I appreciate your offer to co-operate in an effort to effect settlement of the dispute. This dispute is one between your union and the Association of Lake Carriers comprising seven great lakes shipping companies including the two companies upon whom strike notices have been served. In circumstances there is serious danger that the result of action you are proposing to take would be the tie-up of all shipping operated by the companies comprising the Lake Carriers Association. This development would bring serious economic loss to many Canadian industries and to their employees as well as to western farmers in preventing the movement of grain from western Canada to eastern Canadian ports. I am advised that the bargaining committee representing the association at its meeting with your union today made a definite proposal for a settlement which your union has rejected while not moving from its original demands. In my view this dispute should be capable of peaceful settlement and to this end I am prepared to provide mediation service to your union and the association but the strike deadline which you have set does not permit sufficient time for adequate mediation. In the circumstances I would appreciate your agreement to postpone strike action pending mediation which I am prepared to arrange forthwith.

To that wire I have had no reply.

PIPE LINES

TRANS-CANADA PIPE LINES—DECISION OF FEDERAL POWER COMMISSION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Prime Minister. Now that he has been let in on the secret by the Minister of Trade

and Commerce (Mr. Howe), is he in a position to say whether or not the canonized promoters of Trans-Canada Pipe Lines have advised the government that they cannot complete that portion of the line from Winnipeg to Ontario and Quebec unless they have the consent of the federal power commission of the United States to the exportation of gas to the United States? If so, is he in a position to say when it may be expected that the power commission in the United States is going to give Canada permission to do with its own resources what should be done?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think the hon. gentleman's question is framed in such language that I cannot make an adequate reply on the orders of the day.

Mr. Diefenbaker: Mr. Speaker, if I have not made my question clear, I shall restate it. I asked the Prime Minister this question. Have the promoters of Trans-Canada Pipe Lines advised the government that they cannot proceed from Winnipeg on unless they have the permission of the federal power commission of the United States? That is a question to which the people of Canada have a right to know the answer. I also asked when it might be expected that that decision will be made.

Mr. St. Laurent (Quebec East): Mr. Speaker, the promoters of Trans-Canada have given no such information to the government. I am not in a position to say when the decision of the federal power commission will be made. It is because of that uncertainty that the arrangement announced by the Minister of Trade and Commerce today was made, in order to ensure the start of construction this year and to provide for that start no matter when or what kind of decision the federal power commission gives.

Mr. Diefenbaker: Mr. Speaker, I have another question. Has Trans-Canada Pipe Lines given to the government the assurance that, regardless of the decision of the United States federal power commission, it will not only start the 180 miles for which it has ordered the necessary pipe but will go ahead to Winnipeg and on?

Mr. St. Laurent (Quebec East): Trans-Canada Pipe Lines could not give any other assurance to the government than by demonstrating to the government that it had completed the financial arrangements that would provide for the construction of the whole pipe line.

Mr. Diefenbaker: What are those arrangements?

Mr. St. Laurent (Quebec East): The arrangements that they can obtain the finances required to pay for a line that is estimated to cost something like $375 million.

Mr. Diefenbaker: From whom? From whom will they get it? From the government of Canada?

Mr. St. Laurent (Quebec East): I do not know. They are not going to get it from me.

Mr. Coldwell: May I ask a supplementary question—

Mr. Speaker: I see there are now on their feet four hon. members who rose at the same time. I presume they all wish to ask supplementary questions. I merely want to ask hon. members to consider the fact that in the last few days we have had several questions asked on the measure about which a statement was made today. A statement was made today and a spokeman for each party spoke in reply to the statement, commenting upon it. That statement was an announcement that in *Votes and Proceedings* there is to be placed a new resolution. On that resolution we shall, as hon. members know, go into committee of the whole where hon. members may stand up and ask questions, may speak for 30 minutes at a time, and may speak as often as they wish. Do they wish me to leave the chair now on the resolution that is on the order paper?

An hon. Member: Surely.

Mr. Speaker: Yes; that is what they would like to do. Can they not wait until that resolution is before us in committee of the whole? What are they going to do when they are in committee of the whole? They will not have any more questions to ask.

Mr. Knowles: What a hope!

Mr. Fulton: Yes, they will.

An hon. Member: They will have plenty of questions.

Mr. Speaker: Having said that, I will allow the hon. member for Rosetown-Biggar to proceed but I will just say this. Let us not abuse the rules. There are many other subjects about which we may ask questions. Why duplicate the work? Why not wait until the house is in committee of the whole on the resolution? Then all hon. members will have every opportunity to ask questions.

Mr. M. J. Coldwell (Rosetown-Biggar): My question is a simple one. I was going to ask the Prime Minister whether, the government having approved of the initial step to build the trans-Canada pipe line by agreeing to the financing of the western end, there is any time limit placed on Trans-Canada Pipe

Lines as to the conclusion of the entire project? I think that is an extremely important matter.

Mr. St. Laurent (Quebec East): At the present time the only extension they have obtained is to November 1. Under the resolution that has now been placed before the Clerk to be printed in *Votes and Proceedings* the amounts advanced for the construction of the western section would have to be repaid by March 31, 1957.

Mr. Coldwell: What I am interested in is this. When will the entire project be completed if this is the initial step?

Mr. St. Laurent (Quebec East): The other agreement which was tabled in the house on January 11, I think it was—

Mr. Coldwell: Yes.

Mr. St. Laurent (Quebec East): —is not changed otherwise than as expressly provided in the new agreement which will be tabled as soon as it has been signed. There is no arrangement for any further extension. But as the hon. gentleman knows, the pipe situation is an extremely tight one. It was felt that if we did not make arrangements that would allow advantage to be taken of the provisions that have been made for obtaining pipe this season, it might not be until the fourth quarter of next year or early in 1958 that this kind of pipe could be obtained.

Mr. Diefenbaker: From uncertainty to uncertainty.

Mr. E. D. Fulton (Kamloops): May I ask a question of the Minister of Trade and Commerce, if he will accept a question from the young man from Kamloops.

Mr. Howe (Port Arthur): The comedian from Kamloops.

Mr. Fulton: In view of the terms of the statement the minister has made, and in view of the stand taken by Trans-Canada Pipe Lines Limited—

Some hon. Members: Question, question.

Mr. Fulton: —is not the fulfilment of the government's scheme for a trans-Canada pipe line owned by Trans-Canada Pipe Lines Limited made entirely dependent on approval of Washington of the application now before the federal power commission?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Not at all. The possibility of an all-Canadian pipe line owned by Trans-Canada Pipe Lines Limited depends wholly upon the ability of the Trans-Canada company to refund the government's advance prior to March 31 next year; otherwise Trans-Canada Pipe Lines Limited will have no further association with the project.

[*Later:*]

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): I wish to ask a question of the Minister of Trade and Commerce. In view of the fact that the loan about which we have been informed this afternoon is repayable by March 31 next, can the minister suggest any other way in which it can be repaid except by the completion of the whole financing by Trans-Canada Pipe Lines?

Mr. Howe (Port Arthur): Yes, it could be repaid by the financing of the western portion if that were possible.

EDUCATION

REQUEST FOR INCREASE IN FEDERAL GRANTS TO UNIVERSITIES

On the orders of the day:

Mr. Claude Ellis (Regina City): I should like to direct a question to the Prime Minister arising out of a question asked by the hon. member for Burnaby-Coquitlam yesterday. In view of the fact that within less than 24 hours five additional Canadian universities have announced an increase in student fees, will the Prime Minister assure the house that the government will give immediate consideration to an increase in university grants?

Right Hon. L. S. St. Laurent (Prime Minister): The government is always prepared to give consideration to anything that is of public interest, but I cannot give any more specific assurance than what I have just said.

SHORTAGE OF ENGINEERS AND SCIENTISTS —REQUEST FOR GOVERNMENT ASSISTANCE

On the orders of the day:

Mr. Michael Starr (Ontario): I should like to address a question to the Prime Minister. In view of the shortage of scientists, engineers and technicians in Canada which was revealed when the estimates of the Department of Labour and the Department of External Affairs were under consideration, can the Prime Minister advise the house what steps are being taken by the government to ascertain how great this shortage is? What is being planned by the government in order to increase the output of these qualified people in Canada?

Right Hon. L. S. St. Laurent (Prime Minister): There is nothing being planned at this moment in order to have a greater output from our Canadian institutions of learning, which institutions, of course, are under provincial jurisdiction.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—REQUEST FOR FEDERAL ASSISTANCE IN BUILDING DAM

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Prime Minister. Since the government is prepared to subsidize foreigners in building pipe lines—

Some hon. Members: Oh, oh.

Mr. Stewart (Winnipeg North): —is the government prepared to subsidize Canadians to build the Saskatchewan river dam project?

Right Hon. L. S. St. Laurent (Prime Minister): I am sorry; I was not able to hear the hon. gentleman's question.

Mr. Stewart (Winnipeg North): I am happy to repeat it. The question I asked was this. Since the government is prepared to subsidize foreigners to build pipe lines, is the government prepared to subsidize Canadians to build the Saskatchewan river dam project?

Mr. St. Laurent (Quebec East): The government has no knowledge of any proposal by Canadians to build the South Saskatchewan dam project.

Mr. Argue: The people who live in Saskatchewan are Canadians.

Mr. Coldwell: The Saskatchewan government is a Canadian government.

Mr. St. Laurent (Quebec East): The Saskatchewan government is a Canadian government, but the government of Saskatchewan would like the government of Canada to build the South Saskatchewan dam. I am not prepared to admit that the government is ready to subsidize foreigners to build pipe lines.

BUSINESS OF THE HOUSE

PIPE LINES—PROCEDURE RESPECTING RESOLUTIONS ON ORDER PAPER

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Finance, in his capacity as leader of the house, whether the placing on the order paper, and particularly proceeding with the debate thereafter, of the resolution to which the Minister of Trade and Commerce referred today will necessitate withdrawal of the resolution on pipe lines now on the order paper.

Hon. W. E. Harris (Minister of Finance): My understanding is that the present resolution may be proceeded with despite the fact there is another resolution on the order paper having to do with part of the matter covered by the new resolution. It is perhaps a matter of opinion whether or not the former resolution ought to be disposed of at the same time, but in my own opinion it is not necessary as long as you call the one and deal with it.

Mr. Hees: Could the minister indicate to the house when one of the pipe-line resolutions will be brought forward for debate?

Mr. Harris: Yes, Mr. Speaker, we intend to bring it forward at the earliest possible moment. I am not sure yet whether that will be Thursday or Friday.

Mr. Fleming: May I ask the minister which of the two resolutions it will be the intention of the government to proceed with first in relation to Trans-Canada Pipe Lines?

Mr. Harris: The one that was tabled today, sir.

EXTERNAL AFFAIRS

ISRAEL—REPORTED SALE OF SABRE AIRCRAFT BY CANADA

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. I should like him to say whether there is any foundation for the report in the New York *Post* that the Canadian government has agreed to the shipment to Israel of 24 Sabre aircraft for which the sale price is said to be $11 million.

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker, there is no foundation for that report.

FLOODS

MANITOBA—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Minister of Agriculture? Has the minister's attention been drawn to a recent press dispatch referring to a statement by the premier of Manitoba to the effect that most of the cost of repairing the dikes along the Assiniboine river will be paid by the federal government? If this report is correct, will the same consideration be given to other areas in Manitoba where flood damages have occurred this year?

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, in answer to the first part of the question my attention has been drawn to a news item which appeared in the Winnipeg *Tribune* on May 2, 1956, that was somewhat along the lines of the suggestion made in the question. The P.F.R.A. has been rebuilding dikes originally built by the Department of Public Works along the Assiniboine river near Portage la Prairie. The work

is not yet completed. I instructed the P.F.R.A. to be on hand when floods were possible to protect the work already done and prevent, so far as possible, any extension of any break which already may have developed in the dike. The necessary work is being charged up to the Assiniboine river vote No. 43.

With regard to the second part of the question, I do not know of any similar circumstances in other areas in Manitoba. We do protect work undertaken under P.F.R.A. until that work is completed.

POWER

BEECHWOOD PROJECT, NEW BRUNSWICK—
REQUEST FOR RECONSIDERATION OF FEDERAL AID

On the orders of the day:

Mr. A. J. Brooks (Royal): In view of the fact that the federal government intends to lend money for the building of this trans-Canada pipe line, which I am sure will be of no help to the maritime provinces, would the government reconsider its refusal to guarantee the bonds of the province of New Brunswick for the development of the Beechwood project on the Saint John river, which would be of great benefit to that province? I was directing the question to the Prime Minister.

Right Hon. L. S. St. Laurent (Prime Minister): The Beechwood project has been financed on the credit of the province of New Brunswick, which I think both the hon. gentleman and I are happy to see is as solid as it proved to be when that loan was undertaken.

Mr. Brooks: It was done after the refusal of the federal government to assist.

Mr. St. Laurent (Quebec East): There seemed to be no need of financial assistance. There was co-operation between the provincial government and the experts, I think, of the Department of Finance as to the way in which the financing of that project could be most conveniently arranged. I think there are other projects now that will have to be considered, and if there are projects that seem to be really sound and helpful they will be given very sympathetic consideration.

Mr. Fulton: And the reason there was not any need for financial assistance was that in this case they were Canadians.

Mr. St. Laurent (Quebec East): Probably they were such Canadians as enjoyed the credit that enabled them to obtain on the financial markets the amounts that were required for the enterprise they had in view.

Mr. Knowles: Unlike the trans-Canada pipe line promoters.

[Mr. Gardiner.]

Mr. Brooks: I should like to ask the Prime Minister a supplementary question. Did not the province of New Brunswick ask the federal government for assistance in constructing the Beechwood project, and at that time did they not feel they needed assistance in the matter of backing their bonds, and it was only when this was refused—

Mr. St. Laurent (Quebec East): I saw a very voluminous report that was sent to this government by the government of the province of New Brunswick, but it did not to my lay mind seem to contain any project that it would be proper to recommend to the house to make appropriations for. It was a preliminary survey, but there was nothing concrete that could be dealt with at that time. I have had several interviews with the premier of New Brunswick and I understood that the Beechwood project was proceeding in a satisfactory way, but it was the hope of the government of New Brunswick that much more power than would be available from the Beechwood project could be economically developed in some part of the Saint John river basin.

Mr. Brooks: There is another question I should like to ask. I do not want a false impression to be left in this house. The reason the province of New Brunswick asked for assistance was that they could get cheaper money if the federal government backed their bonds.

Some hon. Members: Order.

Mr. Speaker: Order. May I ask hon. members to give the hon. member for Royal a chance to be heard.

Mr. Brooks: My question to the Prime Minister is this. Was not the reason for asking the federal government to assist that the province could not borrow money as cheaply as could the federal government. If they borrowed it from the federal government it would mean cheaper power for the province of New Brunswick. The reason was not that it was not possible for them to raise the money.

Mr. St. Laurent (Quebec East): Well, I frankly would not want to deny the implications of the hon. gentleman's question, but from memory I would not want to confirm them because I have no recollection that there was the suggestion made by the government of the province of New Brunswick that they would thereby obtain money at a cheaper rate. There have been suggestions that there should be money provided by the federal government for all kinds of provincial undertakings at low rates of interest, not just the rates at which the money could be obtained by the federal government itself

but such rates as were in force, for instance, when the Municipal Improvements Assistance Act was in force.

Mr. George H. Hees (Broadview): I should like to ask the Prime Minister a question. Did the government of New Brunswick not specifically ask the federal government to back its Beechwood project bonds so it could obtain money considerably cheaper than otherwise?

Mr. St. Laurent (Quebec East): I do not think that is so, Mr. Speaker. I would not want to be positive, because there have been so many different forms of requests for assistance that from memory I would not want to be absolutely positive; but I have no recollection that there was any suggestion at any time that the federal government, to use the expression of the hon. gentleman, back the bonds of the province of New Brunswick.

INDUSTRIAL DEVELOPMENT BANK ACT

AMENDMENTS TO ENLARGE CLASSES OF LOANS, ETC.

The house resumed, from Monday, May 7, consideration in committee of Bill No. 165, to amend the Industrial Development Bank Act—Mr. Harris—Mr. Robinson (Simcoe East) in the chair.

On clause 5—*Loans, investments and guarantees.*

Mr. Hamilton (York West): Mr. Chairman, I wonder whether the minister, or the parliamentary assistant, could inform the committee if it is the intention under this amendment, which reads—

> —where in the opinion of the board or of an officer authorized for that purpose by the board . . .

—that such an officer would be designated at each of the offices of the company in Canada.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): My hon. friend knows that under the present legislation each and every loan must be approved by the board of directors. It is thought that, as is the custom in the making of commercial bank loans, local offices should now be able to make the complete applications up to certain limits. Now, this legislation will permit the board to send down to its district offices directions as to the limits of their local lending authority. After they have completed a loan it will, of course, be passed on from the district office to the general manager and in turn to the board of directors.

Mr. Hamilton (York West): Does this mean that each local office manager will have a certain amount of discretionary power to approve a loan application at his level without submitting it to the head office?

Mr. Benidickson: That is correct, within certain limitations to be fixed.

Mr. Hamilton (York West): Can the parliamentary assistant give us any idea as to the limits which are allotted to the sub-offices of the bank? It seems to me that this amendment might be to no purpose whatsoever if in fact the discretionary limit of the bank branch manager were so low that there would be very few loans that he could actually make himself?

Mr. Benidickson: No. The act provides that this will be left to the discretion of the board of directors. My information is that they have not yet drafted their instructions in this respect. Naturally, they are awaiting the decision of this house as to their right to delegate.

Mr. Hamilton (York West): I should like to leave this thought with the parliamentary assistant, Mr. Chairman. Unless an adequate limit is allotted to the branch manager then we are going to be right back in the same position that existed before, and very little benefit will be obtained from this section. Certainly, if some of the limits that I have heard about, $5,000 or something like that, are to be continued in the future, then obviously we shall get no benefit out of this part of the section whatsoever.

Mr. Macdonnell: Will the parliamentary assistant not agree that the tenor of the conversation which took place in the committee was that it was recognized that there should be real delegation and that it was thought we may expect it will be done in such a way as to give real power, not just a trivial delegation to the local representatives.

Mr. Benidickson: Would my hon. friend care to give us his own judgment as to the amount of delegation that he thinks would be appropriate in the circumstances? We have, of course, available to us the report of the bank. We know that 240 loans were authorized under the amount of $25,000. That gives us a bit of a guide. In the loan area of $5,000 and under only eleven credits have been authorized to date, so that an authorization limited to $5,000 is not very important. Authorization in the area from $1 to $25,000, as I say, would have involved about 240 loans.

Mr. Macdonnell: I will give my opinion in general terms. I would have thought it should

be substantially more than $5,000; I would have thought that $25,000 would have been not unreasonable. I do not know if that will please my colleague the hon. member for York West.

Mr. Hamilton (York West): I do believe that the larger branches of the chartered banks, that is the main branches in the large cities, have provided discriminatory powers up to $25,000. My contact with the personnel of the I.D.B. indicates that these men are of the highest calibre. I do not think there should be any doubt about an authority granted to them up to $25,000. I think it would be a source of a great deal of satisfaction knowing they are going through under the direction of efficient men.

Mr. Benidickson: I do not think any member of the banking and commerce committee was quite so specific and I am sure the board of directors will be grateful for the comments of the hon. members for Greenwood and York West on this point.

Mrs. Fairclough: Mr. Chairman, these figures may have been given in the committee but since I am not a member of that committee perhaps the parliamentary assistant would say how many loans are presently operative under sub-section 2 in excess of $200,000 each?

Mr. Benidickson: As I recall it, the total authorization was approximately $35 million or $38 million and of course since the authorization some have been paid. I think the present outstanding for loans above $200,000 would be in the neighbourhood of $25 million.

Mrs. Fairclough: Well, Mr. Chairman, that is not precisely my question. My question was how many individual loans are there. It would be quite conceivable that the whole amount could be one loan. How many loans are there under that section?

Mr. Benidickson: At the end of the fiscal year 1955, which is the last official report, there were 62 loans over $200,000 had been authorized.

Mr. Cameron (Nanaimo): Mr. Chairman, during the hearing before the banking and commerce committee I asked the president of the bank about this increase in the total of loans over $200,000 which were to be permitted and asked him if he expected that the bulk of the increase in their activities would take place within that scope. He was not able to give me a very conclusive answer in that regard but it occurred to me at the time that the reason the limit has been raised to $75 million must surely be because there is an anticipation of more demands for loans of $200,000 or more.

That brings me to the point I want to make, Mr. Chairman, and it is this. It seems to me regrettable that this section did not include either an increase in the bank's power to loan in relation to its capital stock and its reserves or an increase in the capitalization of the bank. I was disappointed that that was not done particularly in light of the statements the president has been making in various places where he has regretted the hesitation of Canadian investors to get into productive enterprise.

When I read those statements it occurred to me that this was the logical instrument by which to accomplish that. I had hoped that when the bill came before us there would be some amendment which would increase the total lending capacity of the bank.

I noted in answers to questions that Mr. Coyne told us to this date none of the bank's debentures have been sold on the public market; they have all been sold to the Bank of Canada. While the operations of the bank are sufficiently confined in size, that procedure makes very little monetary effect on the economy, of course, but if the industrial development bank were to be enlarged to perhaps fulfil what Mr. Coyne apparently considers—in speeches outside the house and not in speaking in the capacity of president of the industrial development bank—would be a rechannelling of Canadian investment, it would seem to me that the bank would have to follow another policy which it is empowered to do but which it has never done and that is to place its securities on the market, in order to be effective. It seems to me to need a much larger scope.

We have had a lot of discussion and this afternoon reference was made to the desirability or otherwise of United States investment in connection with the industrial development bank and the role it plays in our economy. It might be worth while to point out the nature of much of this United States investment about which there has been so much talk.

It has often been argued, of course, that we should welcome United States investment on the analogy of the development of the United States in which British capital invested in very large quantities in the early days of that country when it was developing its economy, but there has been a very different type of investment taking place in Canada.

The volume of United States investment that is equity investment is far in excess of the volume of British capital in the early days in the United States that was equity investment. The vast bulk of British investment was in the form of portfolio investment

and as a consequence United States financiers as their economy expanded were able to assume control of the enterprises that had been started by British investment. That is not the case so far as we are concerned.

In 1926, of the total of United States investment in Canada 44 per cent was direct investment carrying control and 56 per cent was portfolio investment carrying no control. At the end of 1954 the position was reversed and we had 60 per cent of all United States investment in Canada direct and involving control and only 40 per cent consisting of non-control, portfolio investment.

On the basis of that, I do not think we should attack our United States neighbours for having been a little more enterprising and courageous than those who are in control of the Canadian pools of investment capital. I would suggest, sir, that the government has the opportunity in this development bank to cope with that situation and to cater, if you like, to the cautious nature of Canadian investors by presenting them with debentures backed by the government of Canada and to channel those funds into the sort of industrial development we require here and in the form of the equity investment which will leave control in the hands of Canadian nationals.

By the time the next session rolls around I hope the government will give some consideration to this. I deplore the undiscriminating attacks on United States investments unless we are offering some constructive proposal to offset the obvious danger. I think we all recognize that there are dangers; we may feel they are exaggerated sometimes but there are dangers there and we should have some constructive policy.

The appeals of such people as Mr. Coyne and various bankers in Canada to Canadian investors do not seem to have been very effective. They are still determined to confine the major part of their operations to the safer type of portfolio investment so I think we have to face that situation and seek some other means to channel investment into productive enterprises that will be owned by Canadian nationals and will be in the control of the nationals of this country.

I do not know whether there is any plan in the minds of the bank's management to use the larger powers they have for placing investments in different fields to accomplish that purpose on a small scale, but I would point out that no matter what they decide under the present legislation their power to do anything very effective is severely limited. I can think of no better way in which the government of Canada could cope with this problem of United States equity investment. One could, of course, this afternoon draw some rather striking contrasts between the manner in which government agencies finance one type of proposition and are prepared to finance other types of proposition but I shall forbear from doing that and conclude by saying that I hope that the possibilities of the industrial development bank will be realized by the government before we meet in the next session of parliament.

Mr. Holowach: There is one comment I should like to make on this item, and I should like to stress its importance to the minister. Can the minister assure us that in future, whenever a question of priorities or preference arises with respect to applications for loans, it is the small businessman who will get the credit? The reason why I say that is this. When we consider the large amounts that are made available and the increase in the amount of loans over $200,000 that are to be made, I am afraid we are drifting away from the initial intent for which this industrial development bank was created.

I have no beef against the large corporations being allowed to use the bank for loans, but it seems to me that we are moving away from the initial intent as set out in the preamble to the act when we allow big business to use the services of the industrial development bank to become bigger yet and at the same time we ignore the problem of the small businessmen who face a staggering credit problem at the present time. I should like to stress that point and bring it to the minister's attention, because it seems to me that the small businessman today has no other place to turn, with the tightening money policy of the government, except to the industrial development bank.

Mrs. Fairclough: Further to the question I asked previously, I wonder whether the parliamentary assistant would have a record of the amount of the largest single loan presently outstanding.

Mr. Benidickson: No, I cannot give information as to the largest amount presently outstanding. I can say from memory of the testimony of the president before the committee that the largest loan ever made was $4 million, which was made at the time of the outbreak of the Korean war and was for a particular defence promotion object. My recollection is that, apart from that, we had evidence that there were probably only five or six loans that had ever been made over $1 million, but I do not have the figure of what is outstanding at the present moment.

Mrs. Fairclough: I would point out that the total amount under subsection 2 is presently some $38 million, I believe the parliamentary assistant said. If this covers 62 loans, then the average is over $600,000, and certainly a great many of those must be in the $200,000 to $500,000 category. It would look as though there must be some very substantial loans, certainly hovering around the $1 million mark. As a matter of interest, I wonder if the parliamentary assistant could supply that information.

Mr. Benidickson: No, I have not that information, but I think I could get the statistics for my hon. friend.

Mrs. Fairclough: As a matter of interest, I would appreciate that.

Mr. Hamilton (York West): I have one further question on this clause. I know it was referred to in the committee. It is with regard to the amendment to "or from a shareholder of the corporation." I understand it is not good banking practice to take as security shares from a shareholder of a company to whom the credit is going to be advanced. Is this going to be restricted solely to a situation where there has been default of some kind and the necessity arises for the bank taking over control of a company, or is it the intention to use the shares of an individual in the company as collateral to loan to the company?

Mr. Benidickson: I think the most likely use of this new provision would be under circumstances where there were not treasury shares to be sold. As you know, the bank has the right to participate in equity holdings. It might be in the best interests of a company, if desirable, that an individual should retire, who probably had got beyond the best productive stage, and it would be in the interests of reorganization of the company that the person be financed to withdraw from the company, and his shares could be taken as security. There might not be treasury shares to make reorganization possible otherwise.

Mr. Hamilton (York West): This is a method then, in the illustration you have given, of actually buying the shares and retiring the person from active management in the company. Is that the position?

Mr. Benidickson: It might be necessary in order to have the proper security to attain the purposes. It might be necessary for the bank actually to have a transfer of the shares. The president said that it was not in the business of permanently owning securities but it felt that, when they provided a substantial amount of the necessary capital to enable the business to function properly the bank should not be debarred on occasion from probably participating in the equity capital and the profits that result from equity ownership.

Mr. Hamilton (York West): The only thing I would like to say in that connection is that the illustration given, of course, does not put any more money at the disposal of the company. If it was an issuance of treasury stock, naturally the funds would go into the company operation. I can see that perhaps this could be used if along with it a collateral agreement of some kind were provided between the shareholder and the bank whereby the shareholder agreed to re-loan the money immediately to the company treasury. If that is the purpose for which this amendment is designed, I can see that it will serve a very useful purpose.

Mrs. Fairclough: Did the parliamentary assistant intend to give the impression that a loan would be advanced for the purpose really of purchasing the interest of a principal who wished to retire or whose associates wished him to retire? In other words, would the money be put up for the purpose of financing the remaining directors or executives of the company to buy him out?

Mr. Benidickson: I should not think that would be the original purpose of the application for loan, but I would think that, either because a company had got into difficulty, and the difficulties might be due to management, or where it was necessary for reorganization to take place, in order to make the investment of the bank more secure, something of this kind should be possible. Under the previous legislation the only shares that could be bought were treasury shares from the company. This gives the bank more freedom in certain circumstances to buy also shares that are in the hands of a shareholder, already issued.

Mrs. Fairclough: It would seem to me that, unless the company was in such bad straits that it was almost bankrupt, the shares of that company would themselves constitute good collateral for the ordinary lending institutions.

Clause agreed to.

Clauses 6 to 12 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN CITIZENSHIP ACT

AMENDMENTS RESPECTING COURTS, APPLICATIONS, CERTIFICATES, ETC.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration) moved the second reading of Bill No. 256, to amend the Canadian Citizenship Act.

He said: Mr. Speaker, I think I should make a few very brief observations about this bill on the second reading. It in no way purports to change anything fundamental in the Canadian Citizenship Act because the government does not feel that anything fundamental needs to be changed in that act. In fact, we feel that the act as it was conceived in 1946 and placed on the statute books by a previous parliament has worked extraordinarily well. But from time to time it has been necessary to make what I would describe as housekeeping amendments, amendments that are required because of certain special circumstances that arise.

The bill contains two types of such amendments. There are three sections dealing with matters of substance, but I intend to ask one of my colleagues to have one section stricken out because I have changed my mind about the advisability of proceeding with it as a result of the deliberations in another place.

Mr. Fulton: Would you tell us which one?

Mr. Pickersgill: That is section 2. The first of the other two sections has to do with a very limited number of Indians and Eskimos who many years ago moved from Alaska into the adjacent parts of the Arctic coast of Canada and have been residing there ever since but who, because there were no immigration officers, were never landed and therefore have never properly become Canadian citizens. This sad state of affairs came to the notice of the department recently and we came to the conclusion that everyone in the house would feel that something ought to be done about it.

The other section has to do primarily with Canadians who, living outside the country and being in the service of the country, either in the armed forces, in the federal public service or in the service of the provinces, contract marriages and have children, one or both, and whose status we feel should be recognized somewhat differently from the way in which it is recognized at the present time.

There are five other sections of the bill which are procedural and have to do with the providing of somewhat more convenient facilities for the acquiring in Canada, and in one case abroad, of Canadian citizenship. We have found as a result of the experience of the last two or three years, since there have been a considerable number of immigrants who have been in the country long enough to have acquired domicile to qualify for that citizenship, that many people living in remote parts of the country have found it very difficult to make three separate visits to the courts that are appointed under the present act, and the purpose of these procedural changes is primarily to deal with that situation. There are some further details in the bill that I can explain very much better, if they need any explanation, in committee, sir.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the bill now before us was discussed quite fully in the other place earlier this session, the report of their proceedings being contained in the Senate *Hansard* for Wednesday, April 18. After the bill received second reading in that house it was referred to their standing committee on immigration and colonization and, as the minister has pointed out, it was as a result of the deliberations both in their house and in their committee that the minister was led to recommend the deletion of section 2 of the bill.

As he himself has said, the bill is more by way of a tidying up process than by way of introducing any change in principle, so that we feel there is really nothing that requires to be said on second reading as to the merits of the bill itself. There are one or two comments we wish to make in committee and a consideration we shall be advancing as to a suggested change and the reason therefore in one of the sections, but we will deal with that when we are in committee.

The only general observation I should like to make now is that we are glad to note that progress is being made in providing a satisfactory and speedy method. When I say "speedy" I mean a satisfactory and efficient method of dealing with applications for citizenship, one which produces the result without undue delay but not one which de-emphasizes the solemnity of the occasion. The most outstanding examples, of course, are the recently constituted special courts in Toronto and Montreal. Having said that, however, I would make the general observation that, as one never achieves perfection, we believe there is still room for more to be done in connection with emphasizing the solemnity of the occasion, the desirability of obtaining Canadian citizenship and the advantages and duties which follow from that process. I recognize that

the occasions when these ceremonies take place are by and large under jurisdictions other than the immediate jurisdiction of the federal government, but I still think that something can be done and no effort should be overlooked in trying to impress upon local communities and the courts, which are the agents of the government in that respect, the desirability of a solemn and suitable ceremony when citizenship is granted.

Anything that we on this side can do to assist in this effort by our speeches in the house and out of it or in any other way, by making suggestions to the government and to local organizations, I can assure the minister and the house we will be glad to do because I think this should be a co-operating effort, not a competitive one. In that spirit we are glad to see these further housekeeping improvements which will better facilitate the application for and the granting of citizenship.

Mr. R. R. Knight (Saskatoon): Mr. Speaker, I should like to corroborate what has just been said by the hon. member for Kamloops (Mr. Fulton). In our city we have been fortunate in having one or two of these ceremonies which I think have had a considerable amount of success. We have an active citizenship council in that city. That reminds me that this very month—I think on the 18th—we are to have another one of these ceremonies to which I was pleased to be invited but which I cannot attend. One of the features of these ceremonies is that people are invited in a spirit of friendliness. They are brought to the attention of the community and the community feels some responsibility for their treatment. On that basis I am sorry that I am obliged to raise a grievance in connection with this particular matter. I have found the minister himself to be extremely co-operative when I have drawn to his attention one or two cases of what I have called injustice and he has remedied it. But I think this one is important enough that it should have some public notice and discussion. I am referring now to a proposal that I would have by which there should be some amendment of or some addition to one of the clauses of the Citizenship Act. I have noted here subsection 6 of section 110. I should like to state this case briefly and to suggest to the minister that something might be done.

Mr. Pickersgill: Did the hon. gentlemen mention section 110?

Mr. Knight: I have it noted as subsection 6 of section 110.

Mr. Pickersgill: There appear to be only 44 sections in the act.

[Mr. Fulton.]

Mr. Knight: I may have been mistaken in the number. In any case we can easily identify the section. I could do it here in a minute if I had time to look at these notes.

Mr. Deputy Speaker: Order. For my benefit might I ask the hon. member to identify the clause to which he intends to refer as one which is now being amended because, as he well realizes, it is the principle of the amending bill with which we are dealing.

Mr. Knight: Yes. It is subsection 6 of section 10. I was in error. It is subsection 6 of section 10 of the act. I think it could be related to a clause in this particular bill.

Mr. Knowles: Section 10 of the act is being amended by this bill.

Mr. Knight: Yes. The question is this. This is the case of a British subject who came to this country. As a matter of fact, he is a Scot. He came to this country and after five years he would automatically be qualified for Canadian citizenship. He was here for five years and then he made his application. He sent in his fee, whatever that may be,—I think it is $10—and obtained a receipt for it. I am not sure what he said in that first letter, but at any rate he was informed by the department that his citizenship could not be granted because he had been out of the country for some seven months. He wrote back and explained why he was out of the country. He had been out of the country because he had been in the employment of the government of Canada, or of one of the provincial governments. He had also been directly under the sponsorship of the dominion government which had shared in the giving of a scholarship to this man in order that he might improve himself in his profession, which has something to do with the medical profession. At any rate he was informed that he could not have his citizenship.

The point that I want to make and the point that I made as I rose is this. It is important that these people should be made welcome in the country, that there should be a feeling of cordiality,—and I am sure the minister would agree with me—a feeling that we are glad to get these people into the country, that we are glad to welcome them here and to make it easy for them. I do not know what the disposition of this man is, but at any rate he certainly felt a sense of injustice having regard to the way in which he had been treated.

His main complaint was this. In the first place, his citizenship was not granted to him when he made the application. The department contended that he had not thoroughly explained the reason for his temporary absence from this country. I shall say this.

When that absence was explained and was certified by the department of the provincial government in question, this citizenship certificate was forthcoming. Then there was the problem of his wife, and that is where I think this particular section of the act should have some amendment. This gentleman—

Mr. Pickersgill: May I interrupt the hon. gentleman, Mr. Speaker? In the bill, as the hon. gentleman will find if he has considered it carefully, we are making provision for that very thing. Perhaps if the hon. gentleman could defer this matter until we reach the clause in the bill, it could then be explained.

Mr. Knight: Now that I have gone so far, Mr. Speaker, and have only another minute or two to go, I think I had probably better state my case. Then the whole case can be replied to by the minister, if he sees fit to do so, when we are in committee. The thing that bothered my acquaintance so greatly was this. This is the type of person who attaches some value to a certificate of Canadian citizenship. I think the very fact that he applied for it is a proof of that statement. He is a family man with a wife and two little children. Let it be right or let it be wrong, and let anyone who likes to do so sneer at it as a piece of sentimentality, but he wanted the date of his citizenship to coincide with the date of citizenship of his wife and his children.

Mr. Pickersgill: We always do our best to oblige.

Mr. Knight: Whether it be sentimentality or not, that is the way he wanted it; and he saw no reason why the department should apply red tape to the extent that he would not be able to get it that way. It was not as though there was anything against the man. Nevertheless he felt that he had been treated like someone, as it were, outside the pale, someone who had to be watched, about whom one had to take care, and that sort of thing. For a man who has been a British subject all his life and who has spent five years in Canada, it is not a pleasant feeling to have around his new home.

He applied for citizenship for his wife and he reasonably thought that it might be granted at the same time as his own citizenship but from the minister's department he had a blunt refusal on the ground, forsooth, that he had gone to Britain to do some studying; that he had taken his wife and his little family with him. While he comes under this clause which allows a man to be out of the country in the service of the country, that clause did not apply to his wife because she accompanied her husband. I understand that is not the sort of thing we want to do. What do we want to do? If this man had forced the department and said that he was going to insist that his wife get her citizenship at the same time as he did, what would it involve? It would involve leaving his wife and family here in this country. I think that is a perfectly stupid regulation. I think it is a regulation which would be more honoured in the breach than in the observance. In that particular case surely the department could have said: It is perfectly natural that this man leaving the country for seven months should take his wife and family with him. I do not see what reason in the world the department could give for not granting that woman's certification of Canadian citizenship so that the two of them could have gone up there together on the 18th day of this month before the public at Saskatoon where there is going to be constituted a court where citizenship could have been granted. They should have gone up there together and received their citizenship on that date. Is there any reason in common sense why that could not have been done? There may be in the regulations. I understand the difficulties that civil servants have. "There is the regulation", they say; "We must interpret the law". But if that is the law, in a case like that the law should be changed.

I think that is the main part of my argument. I could go on and be indignant about it. I may say the gentleman in question was indignant. As a matter of fact, he requested the department to take back his citizenship certificate and withhold it so that those two certificates could be issued on the same day and they would have them together. Sentiment—all right, but a lot of us are sentimental and that is the way the man felt about it. That is the plea I am putting before the minister, that to cover that particular section of the act a change should be made so that when a man takes his wife with him on these government jobs which entitles him to a certificate even if he is absent from his country, his wife could share his fate, shall I say, in that as well as other respects.

I have not mentioned the man's name. I do not think it is necessary for me to do so. If the minister, out of the kindness of his heart, wants to take this up as an individual case and look into it, even at this late date, I would suggest that would be a good course to adopt. I have made my protest to the minister, without wearying the house about the details and reading various letters, the tone of some of which is not too cordial or too friendly. The attitude is: here are the regulations, you take them or leave them. They have to take them. They do not like to take them. I would not have liked to

take them myself. I am not blaming the minister and I am not actually blaming the department because if they have got to follow the regulation, then they have got to follow the regulation. But my suggestion is that the regulation should never be in there. It is a stupid regulation if it is there. As a matter of fact, it is not there at all. The positive thing is there, but there is no provision made for the wife of an immigrant such as I have described.

Mr. Michael Starr (Ontario): I had no intention of saying anything about the amendments to this bill, but since the hon. member for Kamloops (Mr. Fulton) and the hon. member for Saskatoon (Mr. Knight) have made a reference to the necessity for proper procedure in the issuance of naturalization certificates, I felt motivated to say a few words on this subject. A few weeks ago I had the privilege of being present in the county court of the county of Ontario when some 74 citizens of this country received their citizenship certificates. They appeared before His Honour Judge Pritchard of the county of Ontario in an atmosphere that I felt was a model to indicate to those people the value and dignity of Canadian citizenship.

His Honour Judge Pritchard gave a very well thought out address in which he pointed out to them the advantages that would be theirs on becoming citizens of this country. This was followed by the participation of one of the chapters of the I.O.D.E. in Whitby who presented certificates of their own to each of the applicants and also presented, on behalf of the Canadian Bible Society, a bible to each one of these people. Then the applicants were entertained at tea by two chapters of the I.O.D.E. from the city of Oshawa. All in all, I felt satisfied that this was the sort of procedure that should be followed in the courts of Canada and was a model for others to follow. In my own estimation it would certainly leave an impression upon these people of the value of their citizenship in this country.

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

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I did not intend to say anything until I heard the remarks of the hon. member for Ontario (Mr. Starr). I know I would be completely out of order if I attempted to say what I want to say in committee. I agree with what the hon. member has said, and I want to say how much I appreciate and how deeply the members of the government appreciate what is being done to make these ceremonies more appropriate. It is not really within our jurisdiction, but we certainly do our best to give them every encouragement.

I should like to say a word about what the hon. member for Saskatoon (Mr. Knight) has said. I do not say this in a carping way at all. He talked about the regulations, but it is not the regulation, it is the law. It is not a law I had any share in making. It was made before I became minister. It is a law that I am proposing, in this very bill, to have changed, as I attempted to point out to the hon. gentleman when I raised my objection a moment ago. I think the case will be met by the amendment. Until it is met, the minister has no discretion, and judging from the suggestions that are so often made by members opposite about ministers taking unto themselves powers they do not have, I am sure the opposition will be pleased to hear that this is one case where there are no powers to be taken. The minister is completely bound by the law.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Robinson (Simcoe East) in the chair.

Clause 1 agreed to.

On clause 2.

Mr. Pickersgill: I wonder if I could ask the Minister of Finance to move that this clause be stricken out and that the following clauses be renumbered accordingly.

Mr. Harris: I move:

That clause 2 be deleted and the succeeding clauses be renumbered accordingly.

Mr. Fulton: Would the minister say a word about the reason for this. Unfortunately, the other place does not keep a record of the proceedings of all committees. I have read the record of the discussion in the house, and while there was some question as to the advisability of including the clause it seemed to me that the question was resolved rather in favour of its retention. So far as we are concerned, no great importance attaches one way or the other but we would like to be satisfied that it should be taken out and the reason for doing so, before agreeing.

Mr. Pickersgill: I think when I have given my explanation the hon. gentleman will agree with me it is one of those cases where you could toss a coin and decide one way or the other. As the section as it now reads, if you just look at the capital (A), (B) and (C) parts of it, you will find that (A) and (B) are the present law. All that is being suggested in part (C) is that if a Canadian citizen who is abroad has an illegitimate

child and subsequently marries the mother of that child, then that child becomes a Canadian baby.

Mr. Fulton: That is an unfortunate phrase.

Mr. Pickersgill: Since it is the case that if a Canadian citizen who is a woman goes abroad and has an illegitimate child that child is a Canadian born citizen, it was felt that perhaps this was a case for equal or almost equal rights for men. It did seem to me on further consideration that this amendment might have the effect—it would have some good effects I am sure—of creating a lot—no, I should not disparage the Canadian people—a small number of Canadian born citizens who had never been in Canada in their lives and who never would be in Canada in their lives and ultimately perhaps in the year 2050 might create a Don Pacifico incident such as the hon. member for Kamloops no doubt remembers caused Lord Palmerston some pain in the year 1850.

After considering the pros and cons of this matter very carefully—I must say I was never terribly enthusiastic about the amendment—I came to the conclusion that the cons were stronger than the pros, particularly as it was pointed out to me by one of the lawyers that the courts might not interpret subparagraph (c) in the way in which it was intended to be interpreted. An amendment was made in the Senate committee which seemed to make it clearer, and one of the legal advisers of the government said he still had some doubts as to whether it was really clear. I came to the conclusion that it was a dubious thing to do at best, that it seemed to be exceedingly difficult to do and that we had better give it up.

Mr. Fulton: I appreciate the minister's explanation. Since the reference to Canadian babies at home has caused the minister some embarrassment, if this is going to save him some embarrassment by avoiding the possibility of having Canadian babies overseas, then we are glad indeed to accept the amendment.

Mr. Pickersgill: The embarrassment would have been the embarrassment of the Secretary of State for External Affairs. I have nothing to do with Canadian babies abroad.

Amendment agreed to.

Clause as amended agreed to.

The Chairman: It may be more convenient to hon. members if I read the numbers of the succeeding paragraphs as they appear in the bill itself to avoid confusion, although they will be renumbered in accordance with the amendment.

Clause 3 agreed to.

On clause 4—*Certificate for minor children.*

Mr. Fulton: We are glad to note that there has been an amendment now which must have been effected in the other place subsequent to the introduction of the bill, because there was originally a proposal in this clause that after 1961 a person who could not speak adequately either English or French but had been in Canada for 20 years might be granted his citizenship certificate notwithstanding his inability to speak the language. That provision has been removed, I presume on the motion of the hon. senators in their committee. I think it is a sensible thing because there are bound always to be a few elderly people who while their hearts and souls are in Canada and their lives are here are not able to acquire an adequate knowledge of the language. I think they should always be able to acquire citizenship notwithstanding that. My main purpose in rising in connection with this clause, however, is to ask the minister a question with regard to subsection 3 thereof. The effect of this subsection—

Mr. Pickersgill: If we are going to take up the subsections separately, would the hon. gentleman permit me to ask the Minister of Finance first to move an amendment to subsection 1 and clear it out of the way. This amendment to subsection 1 is simply for the purpose of making clear what paragraph (d) beyond peradventure really means. It now reads:

A British subject under the Naturalization Act . . .

What I am asking to have substituted for the word "under" is—

by virtue of a certificate of naturalization as defined in . . .

I will send the hon. gentleman a copy of the amendment.

Mr. Harris: I so move.

The Chairman: Mr. Harris moves:

That the word "under" in paragraph (d) of subsection (1) of section 4 be struck out and the following substituted therefor:

"by virtue of a certificate of naturalization as defined in . . . "

Does the committee agree to this amendment?

Amendment agreed to.

Mr. Fulton: I should now like to ask the minister a question about subsection 3. As I understand it, the effect of this subsection is to take care of people who have been admitted to Canada, with the acceptance of the country generally and under the authority of the government, but in fact have no regular

status. They are not here as landed immigrants, nor are they here on visitor's visa, as students, or any of the recognized categories, because of an amendment made in 1953. Now, when they come to apply for citizenship, they are under a disability which this amendment is designed to remove. But, sir, you will observe that the amendment reads in part—perhaps I had better read the whole thing. Subsection 1, paragraph (c) reads:

> Subparagraph (i) of paragraph (c) of subsection (1) does not apply to a person who has resided continuously in Canada for a period of one year immediately preceding the 1st day of June, 1956, and had been admitted to Canada for permanent residence prior to that date . . .

It is those last words that I am concerned about. They mean that the status of a person first having been admitted to Canada for permanent residence must be established prior to that date; that is, prior to the 1st day of June, 1956. I understand that the majority of these cases are already known because most of those people have made application for citizenship, and it is as a result of that application that the difficulty has been revealed. Therefore, in nearly every case it will be possible to say, or it may indeed already have been said: you are now granted the status of having been admitted to Canada for permanent residence prior to June 1, 1956. But there may be a residue of cases where either the circumstances have not come to light or the person has not brought his own case to the attention of the department by making application, and therefore those cases are not as yet dealt with.

You will appreciate, Mr. Chairman, that the 1st day of June, 1956, being the deadline, is only a matter of three weeks from now and that seems to me to be crowding it a little bit. If I have stated the case correctly, I want to ask the minister whether he does not think it would be advisable to extend the deadline by a few months, say to December 31, 1956. I am not referring to the place where it is first mentioned but where the words "that date" occur. Would it not be advisable to substitute for those words such words as "December 31"?

Mr. Pickersgill: I think the hon. gentleman is anticipating what I was proposing to do, anyway. Perhaps it could be done a little more neatly and meet the point if we simply struck out the word "immediately" in line 20, and also changed "1956" to "1957" in the following line. I think that gives a little longer period than the hon. gentleman asked for. That would postpone the time to 1957. If I made the one change I would want to have the other.

When this bill was drafted I did not anticipate—perhaps I was mistaken—that hon. gentlemen would be so loquacious, and I expected we would have reached it early in March. I would ask the Minister of Finance to move these two amendments.

Mr. Fulton: Just before the minister does so, may I ask the hon. gentleman whether his remarks are not a reflection upon the hon. gentleman of the other place whose loquacity I have not heard criticized before?

Mr. Pickersgill: I withdraw any such reflection.

Mr. Fulton: However, this bill was passed by the Senate and we have not had it, to my knowledge, for more than a week.

Mr. Knight: Mr. Chairman, I did not think that the fact that one was loquacious could be counted as the subject of reflection in this house where, as I understand our duty, we should be permitted to take all the time that we require to deal with a subject.

Mr. Pickersgill: I did not suggest that for a minute.

Mr. Knight: I shall now deal with my specific case. I take it—it is under subsection 3 to which the minister has referred—that when this becomes law the lady in question, the one to whom I referred, will immediately be granted her certification. In other words the small period of time, the six or seven months that she spent in England with her husband, will not be counted against her, and she will be assumed to have been a resident of Canada for the purposes of this act.

I have a second question. What about the minor children? Is there something in this act which covers their situation?

Mr. Pickersgill: I think the minor children would be covered automatically, sir. That is within the discretion of the minister and they can be added; if the parents qualify they can be added to the certificate.

Mr. Knight: How soon after this act has been proclaimed, if that is the word, would it go into effect?

Mr. Pickersgill: I do not believe there is any provision for proclamation. I understand this bill goes into effect as soon as it receives the royal assent.

Mr. Fulton: Before the minister moves his motion would he permit me to suggest with deference that perhaps his amendment is not quite as good as mine. I say that with deference and for this reason: If he takes out the word "immediately" and then changes "first of June 1956" to "first of June 1957" will it not automatically mean that the section can have no effect until the first of

June 1957? This would in effect delay making the adjustment it is desired to make.

Mr. Pickersgill: I sought advice on that point, sir, because it seemed to me that if the word "immediately" was left in that would be the fact, but that the words "one year preceding the first of June 1957" can terminate at any time before the first of June.

Mr. Fulton: Provided that there is a year.

Mr. Pickersgill: Yes, provided that there has been a year.

Mr. Pearkes: Mr. Chairman, may I ask a question? Could that year run concurrently with the four years in the six-year term?

Mr. Pickersgill: Is the hon. gentleman suggesting that I am doing more than I intended to do?

Mr. Pearkes: I am rather wondering if you are not reducing the total period from five to four years?

Mr. Pickersgill: Well, it is just possible.

Mr. Pearkes: Do you want to do that?

Mr. Pickersgill: No, I do not.

Mr. Pearkes: Then I have a feeling that the amendment suggested by the hon. member for Kamloops is perhaps a little tidier than your own.

Mr. Fulton: I am not trying to get myself into the position where my amendment is accepted rather than the minister's—

Mr. Pickersgill: No, no.

Mr. Fulton: —but my suggestion is simply to take out the words "that date" in line 22 and substitute the words "31st of December, 1956". I realize that that would postpone its effect until December 31st next, but I wonder if that is not ample time rather than postponing its effect until June?

Mr. Pickersgill: I do not think there is much in that; it will be quite well known by that time. If that commends itself to my colleague the Minister of Finance I would be prepared to ask him to move that instead of the amendment I suggested.

The Chairman: Order. May I point out that I have not yet received any amendment whatsoever.

Mr. Harris: We have not been able to agree on it yet, sir.

Mr. Fulton: I have it drafted and will send it over so that you can sign it.

The Chairman: Order. Mr. Harris moves:

That sub-clause 3 of clause 4 of this bill be amended by deleting the words, "prior to that date" at line 22 thereof and substituting therefor the following words, "the 31st day of December, 1956".

Mr. Fulton: Mr. Chairman, I am terribly sorry. This is my draftsmanship. Instead of deleting the words, "prior to that date" delete only the words "that date" and substitute "the 31st day of December, 1956". I apologize to the minister.

Mr. Rowe: We will get it yet.

The Chairman: Is that agreeable?

Mr. Pickersgill: That is quite agreeable.

Mr. Knowles: Does everybody know what we are doing? I mean does anybody know what we are doing?

Mr. Harris: Perhaps, Mr. Chairman, you might read over the paragraph as amended by this motion.

The Chairman: Perhaps I had better read the amendment once more. Mr. Harris moves:

That sub-paragraph 3 of clause 4—

That is old clause 4.

—of the bill be amended by deleting the words, "that date" at line 22 thereof and substituting therefor the following words, "the 31st day of December, 1956".

Amendment agreed to.

Clause as amended agreed to.

Clauses 5 to 8 inclusive agreed to.

Title agreed to.

Bill reported.

The Chairman: Shall this bill be read a third time now?

Mr. Knowles: By leave.

Bill read the third time and passed.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 209, respecting the Pension Fund Society of the Dominion Bank.—Mr. Hunter.

SECOND READING—SENATE BILL

Bill No. 251, to incorporate the Fellowship of Evangelical Baptist Churches in Canada.—Mr. Cameron (High Park).

The Acting Speaker (Mr. Applewhaite): There are several divorce bills on the order paper for second reading today, Nos. 48 to 79. Is it agreed that second reading be taken in one motion?

Mr. Knowles: I wonder if you would separate order No. 56, Bill No. 266, from the mass of these bills?

The Acting Speaker (Mr. Applewhaite): Is that proposal agreeable to the house?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 258, for the relief of Audrey Joan Atkinson Hanson Hanson.—Mr. Henderson.

Bill No. 259, for the relief of Marie Eglantine Victoria Laurenza Gagne Holowaty. —Mr. Henderson.

Bill No. 260, for the relief of Barbara Helen Major Kaye.—Mr. Henderson.

Bill No. 261, for the relief of Hazel McJanet Thompson Stewart.—Mr. Henderson.

Bill No. 262, for the relief of Patricia Marion Cook Townsend.—Mr. Henderson.

Bill No. 263, for the relief of Helen Joan Franks Manley Sellen.—Mr. Henderson.

Bill No. 264, for the relief of Lily Kite Herscovitch.—Mr. Henderson.

Bill No. 265, for the relief of Mary Bagdonas Roselle.—Mr. Henderson.

Bill No. 267, for the relief of Marjorie Pennell Robinson.—Mr. Henderson.

Bill No. 268, for the relief of Joseph Henri Andre Lessard.—Mr. Henderson.

Bill No. 269, for the relief of Sheila Joan Mencher Morantz.—Mr. Henderson.

Bill No. 270, for the relief of Frances Marie Ware Ami.—Mr. Henderson.

Bill No. 271, for the relief of Shirley Field Schleider.—Mr. Henderson.

Bill No. 272, for the relief of Jeannine Cecile Marie Tessier Davies.—Mr. Henderson.

Bill No. 273, for the relief of Madeline McIasac Metayer.—Mr. Henderson.

Bill No. 274, for the relief of Gloria Ann Hazelton Stewart.—Mr. Henderson.

Bill No. 275, for the relief of Clifford Acland Barber.—Mr. Henderson.

Bill No. 276, for the relief of Hilda Louise Prewer Shaver.—Mr. Henderson.

Bill No. 277, for the relief of Gertrude Earle Bell.—Mr. Henderson.

Bill No. 278, for the relief of Leba Lee Black Lichtenstein.—Mr. Henderson.

Bill No. 279, for the relief of Helen Walker Seivewright Edwards.—Mr. Henderson.

Bill No. 280, for the relief of Gertrude Hayes Renaud.—Mr. Henderson.

Bill No. 281, for the relief of Isabell Jones Page.—Mr. Henderson.

Bill No. 282, for the relief of Joyce Burgess Lewis Cloutier.—Mr. Henderson.

Bill No. 283, for the relief of Marie Yvonne Blais Leger.—Mr. Henderson.

Bill No. 284, for the relief of Jeanne Fleury Touchette.—Mr. Henderson.

Bill No. 285, for the relief of Doris Cammy Lapkoff.—Mr. Henderson.

Bill No. 286, for the relief of Thea Anna May Laskowski.—Mr. Henderson.

Bill No. 287, for the relief of Thelma Barton Taylor McPhee.—Mr. Henderson.

Bill No. 288, for the relief of Olga Pritula Memi.—Mr. Henderson.

Bill No. 289, for the relief of Ethel Elizabeth Margaret Ritchie Campbell.—Mr. Henderson.

ARTHUR TELFORD BATES

Mr. John Hunter (for Mr. Henderson) moved the second reading of Bill No. 266, for the relief of Arthur Telford Bates.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say just a few words with regard to Bill No. 266. Hon. members should be aware of the kind of job that we are sometimes called upon to undertake in view of the way in which these divorces come before parliament. As I understand it from first noting this case when it was listed in the *Canada Gazette* some time ago, the petitioner was listed as having his residence in San Francisco, California. His wife from whom he is seeking a divorce was listed as having her residence in Jacksonville, Florida. I must say that it struck me as rather strange that the parliament of Canada was being called upon to divorce people living in San Francisco, California, and Jacksonville, Florida.

I find also that they were married in Washington, D.C. They lived while they were together in various countries throughout the world, and more recently the wife has obtained a divorce in the state of Florida and has remarried and is living in that state.

I understand that the reason why this divorce comes before us is that, by one of those fine processes that only the lawyers can weave, the domicile of this petitioner is in the city of Montreal in the province of Quebec. It appears that this gentleman, though he has already been divorced by his wife according to the law of the state of Florida, wishes a Canadian divorce. It puzzles me a bit since in fact, he was married in the United States, but at any rate these are the facts of the case as set out in the evidence that has been communicated to us by the other place.

I must say in all fairness that Their Honours in the committee in the other place went into these angles to which I have referred and satisfied themselves that on a legal basis

the domicile of the petitioner is Montreal and that therefore it was in order for the case to be dealt with by the parliament of Canada. However, I did feel that we should be aware of this rather strange case that we here are being called upon to deal with, and hon. members know what I think is the logical conclusion to which parliament should come.

Motion agreed to, bill read the second time, and referred to the standing committee on miscellaneous private bills.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 192, for the relief of Mary Valerie Dorothy Johnston Bromwich.—Mr. Henderson.

ISLAY ISOBEL CAMPBELL JONES

The house resumed, from Friday, May 4, consideration of the motion of Mr. Henderson for the second reading of Bill No. 257, for the relief of Islay Isobel Campbell Jones.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Applewhaite): Is it the pleasure of the house to adopt the motion?

Mr. Knowles: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

CIVIL SERVICE ACT

AMENDMENT TO GIVE PREFERENCE TO BILINGUAL CANDIDATES

Mr. Fernand Girard (Lapointe) moved the second reading of Bill No. 159, to amend the Civil Service Act.

He said: It is a recognized fact that bilingualism is the chief factor which ensures understanding and protects true national unity between the two great peoples who share the noble task of developing our country and making it prosperous.

To have a true appreciation of the great cultural and social contribution made to Canada by our English-speaking compatriots, one must understand their mentality, one must be familiar with their literature and one must have exchanged ideas with them. The best way in which French Canadians may achieve these ends is to learn their language.

The same rule applies in the case of our English-speaking compatriots. If they wish to understand us and appreciate the value of our mentality and of our French culture, they must recognize that they too must practise bilingualism. True bilingualism is the straightest road to understanding, and it cannot be a one-way road.

Bilingualism in Canada is not a conciliatory gesture to ensure understanding; it is not even a question open to discussion. It is our historical vocation; it is a constitutional fact, the principle at the base of confederation. It is not a matter of choice but a constitutional duty to fulfil.

The bill which I am now submitting for the approval of the house does not require that all Canadians be bilingual; it only tends to grant a preference to bilingual applicants in civil service examinations. It would, moreover, fill a need, that bilingual qualifications would henceforth be established by means of examinations. This bill is an invitation to those who enter the Canadian civil service to better adapt themselves to the bicultural character of our Canadian mentality. Such a preference would in no way interfere with the veterans preference now granted by the act but would take second place to it and add a national unity factor to our civil service which is the lifeblood of the nation.

To vote against this bill would be to deny the existence of the two official languages of Canada. To vote against this bill would be to give official approval to the unfortunate slogan: Be bilingual in Quebec and unilingual in the rest of Canada. To vote against this bill would be to strike a hard blow against national unity and force Quebec into isolationism. To vote against this bill would be tantamount to saying to French Canadians that they have made a mistake in learning English and that their group is merely tolerated within confederation.

The growth of true bilingualism among the two main racial groups of Canada has been impeded by the habit of considering these groups on a provincial basis and of wrongly repeating that there are nine English provinces and one French province. This has all too often prevented many of our English speaking compatriots who are well disposed from admitting the necessity of learning French. Such an idea is contradicted by the facts. French-speaking Canadians are distributed in all provinces and in the country as a whole in almost equal number to English speaking Canadians.

According to the most recent government statistics, racial groups in Canada are distributed thus: Canadians of English origin, 47·9 per cent, Canadians of French origin, 30·8 per cent, and Canadians of various other races having emigrated to Canada account for the rest. Canadian unity will be a fact when there are no longer French

Canadians or English Canadians but Canadians, period. But this can only be attained when the word "Canadian" encompasses the aspirations of each of the two racial groups which form our country. To act otherwise and to relegate bilingualism to Quebec only is to divide the two great races historically united in the foundation of the great Canadian family.

(Translation):

Mr. Speaker, if it be granted that bilingualism is the main instrument of good understanding and if, on the other hand, we look into the government's attitude and behaviour towards the two racial groups which make up our country, and more particularly into the attention it has given to those who have made an effort to achieve bilingualism, we are faced with a genuine national scandal.

In a speech I made on this matter last year, using figures taken from the public accounts, I compiled a comparative table showing how the two racial groups have shared in the appointments to the higher positions in the federal civil service, namely those over $5,000 per year. I shall not repeat those figures, but I would like to repeat the final result. French Canadians who are bilingual in a proportion of 77 per cent hold but 13 per cent of the higher positions. Even if they had never made their generous effort to become bilingual, in proportion to their numbers, they should have been entitled to at least 30 per cent of the higher positions. Although I sincerely wish to avoid using harsh words, faced with such figures I feel compelled to say that we have been shamefully victimized and that, unless a drastic change comes to pass, we shall have to check this one-way trend towards bilingualism, which can only lead to assimilation.

On one occasion during the last session, before the orders of the day I asked the Minister of Citizenship and Immigration (Mr. Pickersgill), who was then secretary of state, to give figures showing the racial representation of the Canadians in the civil service, according to whether or not they were bilingual. The hon. minister replied that it was not possible for the civil service commission to determine whether an employee was bilingual or not. I was astounded by this reply. In a bilingual country, so proficient in the matter of statistics, it was not possible to determine who was bilingual and who was not! I took the matter up again this year and put to the new Secretary of State (Mr. Pinard) the following question, which appears on page 1881 of *Hansard:*

1. Has the civil service commission ever asked for a report on the bilingualism of civil servants of the various departments of the government?
2. If so, on what date?
3. What departments have answered?
4. What is the result of this inquiry?

The hon. minister replied that an inquiry had been made, that certain departments had been unable to give complete answers but that he had obtained them at a later date. As for his reply on the result of the inquiry here it is:

> A number of departments indicated that information of a reasonably accurate nature was not available; others based their reports upon unverified claims as to language qualifications. It should be pointed out that it is not easy to know whether or not an employee is bilingual. In a number of cases, it is impossible to answer such a question by an unqualified "yes" or "no" because it is a matter of degree requiring a qualitative evaluation. In the light of the information obtained, the commission concluded that it would not be possible to arrive at any reasonably accurate figure as to the proportion of bilingual civil servants.

But, Mr. Speaker, if it was impossible to arrive at exact figures, we would surely have liked to obtain at least the figures which had been given to the hon. minister.

The hon. minister assures me that he has requested that such an inquiry be made, but we are still waiting for the figures. If the delay is due to the fact that the French-speaking ministers have been too generous towards their own compatriots, I understand why the hon. Secretary of State hesitates to supply the figures. However, on the basis of the minister's statement, one thing stands out clearly, and it is this: the civil service commission has no accurate way of determining what civil servants are bilingual.

Mr. Speaker, the bill now before the house would correct that serious anomaly, since it will permit, in the future, to determine who is bilingual. In fact, subparagraph (c) of the bill states that those who will be entitled to benefit from the privilege provided in the bill are:

> . . . those who have qualified, by examination, in the knowledge and use of the two official languages of Canada, being the English and the French languages.

Has the minister considered that his reply to my question is not only a serious admission, but confirmation of the fact that the French-Canadians are victims of gross discrimination. In fact, the civil service commission which, by two ministers' own admission, does not know who is bilingual has nonetheless prescribed bilingualism as a prerequisite to employment in the province of Quebec, except in a few rare instances.

I shall mention only the case of the stenographers and typists who must be bilingual if they are French-speaking, but who receive the same salary as their English-speaking fellow workers who are not bilingual. The bill would recognize the merit of our English-speaking fellow citizens who have learned French, and would do away with such discrimination.

I could quote innumerable instances of injustices done our compatriots, who have been told and repeatedly that they should learn English to be promoted.

Hundreds and hundreds of instances show with a pitiable truthfulness that the French language is treated as a poor relation, not only in business but more particularly here in the government, which was set up by the constitution as the guardian of the indefeasible rights of the two racial groups.

Even in this house, the French language is looked upon as a poor relation, for even though according to the letter of the law it enjoys the same privilege as the other language, in practice it is but rarely spoken and those who use it are sure not to be understood by the majority of the representatives of our bilingual country.

Those who are primarily responsible for that anomaly, although I do not wish to accuse anyone, are the French-speaking Canadians themselves, because they seldom speak French in the house during the debates.

An English-speaking colleague recently told me that he took exception to French-speaking members always speaking English, thus depriving the English-speaking members of the opportunity of learning our language.

I particularly blame the French-speaking ministers who, except for the Speaker, speak French only when they reply to a question from a Quebec member, but never do so in their official statements. They will perhaps reply to that serious accusation that they do so because it is the only way to be understood.

Every time our French-speaking ministers use that good excuse for not speaking their own tongue, our English-speaking colleagues will surely contend that they do not need to learn our language.

In all governmental agencies, and more particularly the Canadian National, with the possible exception perhaps of the St. Lawrence seaway authority as far as its cheques are concerned, the French language is treated as a poor relation.

My hon. colleague, the member for Beauce (Mr. Poulin), embodied in a bill the magnificent principle he has upheld for years in order to obtain bilingual cheques. We have here another proof that French is treated as a poor relation in a manner which cannot be explained. We have come to the point where we must submit bills to have our most elementary rights respected. And this happens in a country which boasts of promoting unity, peace and concord among foreign nations.

Every time the French-speaking people ask that some of their prerogatives be respected, they are told, as was done for the flag and other similar matters, that they should proceed step by step, that we must not wound the feelings of others, that something has been gained here or there and so forth. By acting thus we again admit that the French people are really treated as poor relations, that their rights have never been truly recognized throughout the nation, but are granted small parcels of those rights with a measuring cup, by the side door, and as a result of persistent struggles.

If the confederation pact had intended to give to the French language the status of a poor relation, the fathers of confederation would never have agreed to it; besides, if that were the case, the constitution would have been drafted otherwise. There is one section only of the British North America Act which mentions languages, and it is section 133, which reads as follows:

> Either the English or the French language may be used by any person in the debates of the Houses of Parliament of Canada and of the Houses of the Legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses.

A list is then given of the official records which must be bilingual.

Therefore, both languages are on equal footing. If the intention had been to rank the French language below the English language, instead of saying "Either the English or the French language may be used", it would have been stated that "French may be used". On the contrary, the text is clear: "Either the English or the French language ....".

The remainder of that section deals with compulsory bilingualism in official documents. Commenting on a speech I made last year on bilingualism, the *Star Weekly*, in its edition of February 19, 1955, contended that there is nothing in the constitution to indicate that both languages are on an equal footing. According to the writer, one of the two languages enjoys a privileged status. Under what section of the constitution? I should like to know, since the only reference to languages which may be employed applies equally to French and English.

I know, Mr. Speaker, that a real and commendable movement is under way and gaining momentum among our English-speaking fellow citizens in favour of exchanges between the two racial groups; this necessary effort is more commendable than that of the government, since it is not made compulsory by the constitution.

In the name of national unity, which they must bring about by deeds and not by words, the government is bound to approve this bill and thus show their good faith. They have no reason to reject it since, by this bill, the preference already given to veterans is widened and the inalienable rights of five million Canadian citizens are confirmed. So far, it must be confessed, we have been treated as a conquered race, but if one goes back to the establishment of our government it must be admitted that two-way bilingualism has become the indispensable confirmation of an honourable compromise between two great ethnical forces which, until then, had been facing each other.

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I have listened with a great deal of interest to the remarks made first in English and then in French by the hon. member for Lapointe (Mr. Girard) in connection with the bill he has introduced in the house today.

In the course of his remarks, he referred to an answer given to him by my colleague, the Minister of Citizenship and Immigration and by myself this year about the number of bilingual employees in the civil service. While dealing with this subject, he charged me and my colleague and, in fact, the government we are representing in these matters, with failure to give an adequate reply to his question. In his view, we failed to give an adequate answer because we had found it impossible to supply the figures requested in his question. Yet, in the answer we did give, we pointed out why it had proved impossible for the civil service commission, to whom I had referred the question, to give a complete answer to the question. It is because the civil service commission, this being a matter of degree and requiring a detailed analysis, is unable to tell whether an employee does or does not speak both languages. I felt that the hon. member would not be satisfied with information dealing merely with civil service positions requiring a knowledge of both languages. I am confident he will agree that very many people in this country speak both languages. He will also admit that there are a great many civil servants who, while they speak rather fluently both languages, did not have to qualify as bilingual when they entered the civil service. Therefore, an answer dealing only with those employees who had to qualify as bilingual would have been inadequate.

He then pointed out that the French-speaking ministers in particular did not avail themselves often enough of the opportunities they may have to speak French in this house. Yet he himself behaved no differently, finding it convenient and useful, if not indispensable, to speak English at the beginning of his remarks. He thus answered his own question.

In fact, I do believe that, in spite of the good will shown by the hon. members generally, there are many whose knowledge of a second language is not sufficient to allow them to understand the remarks made by members of the government; when, for instance, an English-speaking member who does not speak French and understands it but imperfectly puts a question to a member of the cabinet, I do not believe it is logical to answer him in a language which is not his own, which is not his mother tongue.

Mr. Speaker, I think I should add—and I feel sure I am expressing a wish which is shared by the hon. member—that, as long as the majority in this house do not speak both languages and understand them adequately, it will be quite difficult—the hon. member will agree with me if he is sincere, and I believe he is—it will be extremely difficult to suggest to the members of the government that they should answer in French in such circumstances.

(Text):

Mr. Speaker, both as the minister responsible to parliament for the civil service commission and as a French-speaking Canadian representing a constituency mostly composed of Canadians of French extraction, I feel it is my duty to express this government's opinion as well as my own views on this proposed legislation which would have the effect, if enacted, of bringing about a very substantial change in our Civil Service Act.

I wish, first of all, to commend the hon. member for Lapointe (Mr. Girard) for his remarks. After hearing them I feel that he has done his job in all sincerity and that his intentions are to see to it that the principle of bilingualism, which I share with him, be applied as generally as possible in the federal

administration. Although the immediate objective sought through this measure is to grant preference to bilingual competitors in civil service examinations, this legislation presents at the same time another very important feature. The provisions of the amendment tend to reaffirm the principle of bilingualism and have it recognized in the federal administration everywhere in Canada. Even if I intend to oppose the measure for reasons which I will explain later in my remarks, I wish to emphasize immediately that I am in full agreement with the principle of bilingualism this measure contains. In other words, the principle as laid down is undoubtedly sound, but the method of its implementation as suggested in this bill, at least in my opinion, is wrong.

The proposition which I have just stated is twofold and I intend to deal with each part separately. In the first place, I have just affirmed my belief in complete bilingualism and in the use of the two official languages of Canada which I believe must be recognized as the normal method to be used in our relations together. It must be accepted as an historical and constitutional reality, and it is also essential to our peaceful and orderly growth as a nation.

Without claiming to be an expert on constitutional matters or on the interpretation of our laws, customs and practices as they now exist, I should like the house to bear with me for a few moments while I try to analyse, as objectively as possible, our position and status as a bilingual country.

Although there are a number of countries where more than one language is officially spoken, it is difficult to determine in each case the extent to which actual constitutional or legal dispositions have given recognition to the use of different languages. In more than one country a spirit of understanding and a growing practice have gone further than precise legal and constitutional definition in establishing the rules of application of this principle. In Switzerland, for instance, where a multiplicity of languages prevails, the constitution itself recognizes four languages as national languages and three as official. But the constitution does not go further than that and leaves it to practice itself to lay down the rules of application of this government policy of equality of languages. As a Swiss jurist recently wrote about the problem of languages in this great united country:

> This small neutral country has proved that, given good will, understanding, welfare and loyalty are not only possible among people speaking different languages, but that those languages themselves mean an enrichment of life.

In another country, Belgium, two languages are recognized. But again in so far as languages are concerned in that country, the constitution is very brief and simple. Section 23 of the Belgian code reads as follows:

> Use of the languages current in Belgium is optional; it can be regulated only by law, and only for public documents and judicial matters.

That is all the constitution of Belgium says on that matter. In that country also experience has demonstrated that this great people, although speaking two different languages, has always been inspired in peace as well as in war by only one purpose, that of upholding its fine, generous traditions of courage, industry and determination.

I think in Canada the situation is the same. I think that the mere mention of section 133 of the constitution is not enough to determine whether or not this country of ours is a bilingual country. Here also the nature of our constitutional pronouncements, which have been more numerous because of more frequent changes in the constitution itself, is not sufficient to determine the degree of bilingualism which Canadians have accepted and recognized. Here also there has been, and there is, besides such legal and constitutional dispositions, the unwritten law based on usage and practice which has served us in the implementation of that principal of bilingualism which today has become more than ever one of the important governing factors in our development and progress as a nation.

As I have indicated before, the constitutional position in Canada has often been modified with respect to languages; indeed, the constitution itself had to be modified with changing conditions. The situation has changed with the constant demographic, political and economic variations which this country has known in her yet short but dynamic history. In a little more than two centuries Canada, from the status of a French colony and later that of a British possession, has grown gradually and step by step to the full stature of a free and sovereign nation and member of the commonwealth. With these gradual changes in its political status, our country has also experienced, as a result of its great development, very serious changes in both the demographic and economic fields. Our system of government, in order to adapt itself to such important variations and trends, has seen its constitution modified often to meet the challenge of such ever changing conditions.

It is interesting to follow the effect of each of these political changes on the progressive recognition of the principle of bilingualism as it is being accepted now in Canada. At the beginning, under the royal proclamation

in 1763 which had to serve as the new colony's constitution, no reference was made to the use of the two languages, French and English, by the new government of Quebec which was created by the crown. Three other similar governments were created under the same proclamation for these other new British possessions covering a vast territory in all of North America which France had ceded to Great Britain. This was, of course, as indicated in the proclamation itself, a temporary arrangement to be applied only until a local system of government could be properly organized and functioning in each of these new British possessions.

Under the Quebec Act, religious privileges and others were officially recognized but no direct reference was made yet to the use of the French language in the administration of the country. Of course, it is not necessary for me to say that obviously ever since 1759 the French language continued to be used in practice and also both in the legislative council and the assembly. But later in 1791, at a time when there was still a large majority of Canadians of French origin, Canada obtained from the new mother country her first real constitution, which was in fact the original authority to organize a responsible government.

The principle of bilingualism is to be found in the terms of that first constitution under which both the people and those whom they chose to elect as their representatives in the legislative council and assembly were given the privilege of taking the oath in the English or French languages as the case required. In 1840, when it was considered advisable to unite into one the two provinces of upper and lower Canada, this privilege of bilingualism was denied. It was then enacted that the English language alone was to be used. This is not the occasion to comment on the wisdom of the change made at that time but it will be recalled that Louis Hippolyte Lafontaine, in a declaration full of dignity and pride, at that time expressed his disagreement with the new provision of the union act.

Our country, which had already known and lived through difficult times, was again put to the test and again tolerance and understanding were to prevail over hatred and prejudice. If such a process may appear at times to be much slower, it does achieve much more efficient and durable results.

Finally, in 1867, when confederation was established as the system of government which was to endure and become the charter of our rights, the principle of bilingualism was again reaffirmed by the four provinces which decided to unite themselves into that dominion to be known as Canada.

As the hon. member indicated, section 133 defines in very clear terms the nature of such bilingualism by proclaiming the French and English languages as the official languages of the parliament of Canada.

Although the section is quite clear, the provision could lend itself to different interpretations which would have the effect of either restricting or extending its terms. But again I say that, in Canada, bilingualism is a matter where legislation alone is not sufficient to determine what the legislature at that time had in mind and what in the country is the position of bilingualism.

Many other factors have to be analysed if one wishes clearly to ascertain whether Canada can rightly claim to be a bilingual country. This again is a matter of degree, as is bilingualism itself. There is bilingualism in theory, of course, as there is bilingualism in practice. If by bilingualism we mean that everyone in Canada must speak both languages, then, of course, Canada, no more than Belgium or Switzerland, is a bilingual or a multi-language country. But if the two languages may be spoken in every province, although the practice may not have been considered necessary in all the legislatures, if the two languages are generally used by a great number of people in all spheres of activity, if it is the overwhelming wish of all Canadians to consider the other language as their second language, these facts must of course be taken as convincing evidence of bilingualism as it exists today in Canada.

I could add a number of other instances which would substantiate such a contention. Let me read, for instance, a few remarks made by the Prime Minister in 1943 when he was then the Minister of Justice and was dealing in the house with a proposed amendment to our constitution:

> Section 133 of the constitutional act deals with the matter of languages. It provides for bilingualism in this house, in this parliament, in its journals, in its records and acts, and in the pleadings and processes of the courts of Canada established under the act, to the same extent and just as fully as it provides for bilingualism in the proceedings of the Quebec legislature and the Quebec courts.
>
> I am satisfied that the day will come when, if not all those who sit in this house, at least its leaders and those who grace the treasury benches and those who sit immediately opposite, will find it to their advantage to be bilingual. I do not suggest that we from the province of Quebec are going to try to impose our language upon anybody, but I do suggest that the time will come when those whom I have indicated will find it to their advantage to learn and to understand and to use the French language as we from Quebec have found it to our advantage to learn and to understand and to use the language in which I am speaking at this moment.

These were remarks made by the Prime Minister at the time and I think that I expressed those sentiments when a few moments ago I said that it is not always possible and I should think advisable to answer questions that are being put to the ministers by the members of this house in one language that will not be the language that the hon. member putting the question will understand; and it is to be hoped, as I said earlier, that the day will come when the majority at least of the members of this house will be able to speak fluently both languages, the result being that at that time it will be possible for each minister to answer in either of the two languages.

If the principle of bilingualism has been recognized, as I said, in our British North America Act, if it has also been recognized by custom and practice, if it has been recognized by a greater number of people using both languages in business as well as in other kinds of transactions, I say that it has also received the support of constant action by the government and also by definite corroborative legislation.

The terms of section 133 of the British North America Act have been extended to a great number of administrative measures by the successive governments: two of the most striking examples have been the adoption of bilingual postage stamps and paper currency. When these two decisions were taken by parliament they were not to be termed as concessions by the English-speaking majority to the French-speaking element of our country. It was simply the result of good faith on the part of all the different ethnic groups in Canada, and of parliament's understanding and harmony between the races of the country; it was simply, in effect, the recognition of bilingualism as an essential right of the Canadian citizen.

This right of bilingualism was recognized in that way by parliament in the two precedents to which I have just referred; that is, in the use of postage stamps as well as in paper currency, but it was also strongly supported, I believe, by a growing practice both in the House of Commons and outside of a greater number of people accepting the use of the two languages on an increasing number of occasions.

This growing tendency, this definite trend, is to me stronger evidence than words of law of the bilingualism of the land at the moment. But if I have decided to oppose this bill I must say that I do so with some regret. If the proposed measure was only another way of reaffirming my belief in this principle of bilingualism, with which I have already expressed my agreement and with which I believe everyone in this house is in agreement also, I would gladly support it, but I think we are concerned with something quite different when we accept the change of policy contemplated by this proposal.

What is involved in the amending legislation is the granting of a preference to bilingual competitors who wish to enter the civil service of Canada. It may not be necessary to underline as a preliminary remark the very great importance of our civil service in the administration of a country such as ours. Under our democratic system it forms part as an essential entity of one of the most important branches of the government. What the legislature chooses to enact for the good functioning of our democracy, the civil servants must put into application. What parliament decides, the civil service must apply, in other words.

It follows as a result that if we are to have a healthy nation, we must have a competent civil service. I think it can safely be said that parliament could not properly discharge its obligations to the people without the benefit of a competent body of civil servants. Democracy could not operate without the assistance of those who are called upon to apply the measures which the elected representatives of the people have decided to adopt.

Canada prides herself, and should be allowed to continue always to do so, on one of the most efficient of civil service organizations. This is more important today than ever with the ever-increasing commitments which our country must face to keep its place in the forefront. But I believe that what we are concerned with today is something different from what the principle of bilingualism implies. What we are concerned with is to decide whether or not competence should give place to bilingual qualifications in the civil service. I am in favour of as many bilingual civil servants as possible, and I believe I may have the right to say that I have had some humble share in that respect, but I cannot accept that bilingualism should take the place of competence in the choice to be made of our civil servants anywhere in Canada.

Under the act as it now stands, preference is given to war veterans, and the hon. member has made an allusion to that preference which is given to war veterans. The principle in that case is not to be compared, I believe, with that of a preference to be granted to bilinguals.

More than one reason justifies such a policy of preference to apply with regard to those who have served their country in war.

In the first place it is only just and fair to give to those who have been away from the

country during a certain period of time and who, in order to accomplish their duties on the battlefields, had to leave their civilian occupations, a treatment similar to that which is afforded to those who have remained in civilian life. The experience of which they have been deprived due to their absence should not, in this case, be a reason for their failure to integrate themselves in the community after their return.

I should say also, and this in my opinion is the real underlying motive for this preference to overseas veterans, that the least a country can do to honour those who have risked their lives to protect and defend it is to assure them of an even chance to re-establish themselves in civil society.

There are no similar considerations, I believe, of national interest involved in the present case which are strong enough to prevail, in my opinion, over the requirement of competence to which I have already referred.

If the provision as advocated under this amending bill was enacted, it would in practice mean that any bilingual candidate although less competent would qualify over other applicants for any position within the civil service.

To illustrate this, it would mean that even where bilingualism will not be needed by a civil servant in the performance of his duties to the public, a bilingual applicant would be preferred to others who would be more competent but would not enjoy the privilege of being bilingual.

(*Translation*):

Mr. Girard: Will the hon. Secretary of State allow me a question?

Mr. Pinard: Certainly.

Mr. Girard: Is the hon. Secretary of State suggesting that when a veteran lacking proper qualifications applies for a job, it is the minister's duty to give it to him?

Mr. Pinard: No. I think I have made my position clear enough on that point. The thing that justifies the preference given to veterans before all else is the fact that, since they had to give up their civil occupation and were thus deprived of the experience which otherwise they would have acquired, they have lost all contact with civil life. When the veteran comes back after one or several years, he is in a position where, in order to re-establish himself in civil life, he has lost the experience which otherwise he would have acquired if he had stayed here.

[Mr. Pinard.]

That is what I tried to explain. I believe it is only fair that the government should make up for that period of time when the civil servant went and fought for his country, and during which those who joined the armed forces lose the benefit of the time they were away. I added that one of the reasons which, I think, justify the preference granted veterans, and it may be the main reason, is that they had to go away for a certain time, and it is therefore necessary to make up for their years of absence, so that they can re-establish themselves in civil life and be on an equal footing with others.

It is my belief that this principle does not likewise apply to preference with respect to bilingual people; that is what I attempted to demonstrate.

I believe that, in the civil service, what should count first and foremost, is ability. In my opinion, if, only because he is bilingual, a candidate should obtain preference over someone else who is not, for any position, whether the two languages are needed or not, that would be a danger. I don't think it could be said, for instance—and the problem must be considered in two different lights—to a competitor in a constituency where the great majority of the population is French-speaking that whoever speaks both the languages, though he might have got only 70 per cent of the marks in the examination, will obtain preference over a competitor whose sole language is French, even though the latter might have got almost one hundred per cent of the marks. The same kind of reasoning could be resorted to in the case of a competitor in a constituency overwhelmingly English-speaking.

I think that we would thus agree to and confirm the principle of bilingualism, but we would at the same time very seriously affect the competence of our civil servants. I wonder whether my hon. friend has clearly understood the remarks I just made.

There is no doubt that the fact of bilingualism must be stressed and that the knowledge of both languages is an advantage. Besides, I trust it is admitted and applied by the civil service commission when establishing a competitor's marks. However, I believe, we must not, by adopting the provisions of this bill, recognize the principle that a bilingual candidate would eliminate another who, knowing but one language, would have obtained higher marks at a civil service examination. I think this would be the main danger to which the bill would expose the government and the civil service commission. And that is the main reason why I cannot agree with the proposed legislation, and why I shall vote against it.

Mr. Adrien Meunier (Papineau): Mr. Speaker, I have listened to the remarks of the hon. member for Lapointe (Mr. Girard) on bilingualism. I share some of the opinions he expressed, which tend to summon the idea of a heaven on earth, but I must say that the principles he outlined and his bill could hardly be accepted, as the Secretary of State (Mr. Pinard) just pointed out.

If we were to employ bilingual civil servants exclusively, it could happen that a bilingual candidate obtaining only 70 per cent of the marks on some examination would be preferred to a unilingual candidate who might have obtained most of the marks and would deprive the latter of the position he was seeking. My hon. friend should know that such principles are inapplicable to a certain extent. I might point out to him that bilingualism did progress in the past 25 years. Today a greater number of Canadians speak both languages. Greater insistence on bilingualism would be detrimental to many officers and employees of the civil service commission in the province of Quebec.

(Text):

On motion of Mr. Meunier the debate was adjourned.

TARIFF BOARD ACT

AMENDMENT TO INCREASE MEMBERSHIP OF BOARD FROM THREE TO FIVE

Hon. W. E. Harris (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Tariff Board Act to increase the membership of the board from three to five members and to provide for the salaries of the new members.

Motion agreed to and the house went into committee, Mr. Applewhaite in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

The Chairman: Shall this resolution carry?

Mr. Macdonnell: Is the minister not going to say something about it?

Mr. Harris: The resolution, I think, explains itself. However, I think I ought to add that the purpose of the resolution, that is, increasing the membership of the tariff board, is brought about by the increased work that the board is doing and has to do under the appeals with respect to both the Excise Tax Act and the Customs Tariff, and also because of the present government policy of referring more items for consideration to the tariff board so that it might report to us.

We have found that the present membership is not sufficient to discharge these duties as quickly as we would prefer to have them done. As I think there will continue to be an increasing load upon them to deal with the appeals that are being made from the decisions of the deputy minister of customs, and since I think that is the proper thing to happen in our taxing law, I am suggesting to the house that we should increase the membership to five and break down the board, if necessary, into two groups to deal with these things. I am not suggesting that we are dividing the jurisdiction between two parts of the whole but that there may be two committees which could work on different things at the same time.

Mr. Macdonnell: I was rather hoping that the minister might go into the matter at somewhat greater length. I might perhaps be allowed to make a personal reference at the outset, to express the regard I have for the present chairman of the board and also to recall that I knew very well the Hon. George Sedgewick, who was, I think, the first chairman and who also was a very highly regarded chairman.

The minister has told us in a general way about the increased work and, in particular, about the number of appeals which come to the board and which, I suppose, are a special aspect of this work. I should like him to give a little further indication as to just how the work will be divided. He spoke about working in more than one group. I wish he would also say something in more detail about the nature of the inquiries that are now being made. Perhaps, if there is nothing confidential about it, he will give us a list of the examinations that are being made.

I should also like to know how they are initiated. Are they initiated by the minister or do they arise from the initiative of the members of various industries? I would like the minister to go into that at some length because, after all, I think the tariff is becoming more and more a matter of importance. We had about 15 blessed years when we seemed to be able to live without tariff questions being projected at us constantly, but it looks now as if perhaps that time was over.

I read with considerable concern in the New York *Times* of Sunday, April 22, of the large number of appeals for increased tariff assistance that are being made in the United States. Some of them affect us very closely. I read that the wool manufacturers are planning a drive to get the tariff raised. The

same applies to fish products, of which we have heard before, to wood products and others. I mention this because, as I say, these questions are urgent. We know that, in spite of the general over-all prosperity, in spite of the large gross national product, we have areas of distress. I should be glad if the minister would say something at more length than he has on the problem as he sees it and as to the way in which he means to deal with it.

I have in my hands a copy of *Foreign Affairs* for October 1955, with an article by the principal of Queen's University, Dr. Mackintosh, who worked here as a special member of the finance department for years. I should think that, if there is anyone who by nature is not only in favour of multilateral trade but would look with great aversion on tariffs as a kind of natural enemy, it is he. Nevertheless, I read here in this article statements of concern and of anxiety by him as to the situation, not merely caused by the actual United States tariff but perhaps even more by the customs regulations, which of course we have heard referred to very often here. In particular, he raises the question of the difficulty in which the United States administration finds itself, whereby it is often not able to carry out its contracts. He says, on page 123 of this article:

> There are signs that we are entering a period when other countries may press American representatives to produce evidence that the United States is able to make a dependable agreement. To say this is not to discount the ingenious and sincere efforts which have been made by two administrations in Washington to further the aim of larger and more competitive trade in the western world. In future, however, if agreements are to be subject to the heavy discount of escape clauses and modifying legislation, a much greater consideration may be required.

I have made these two references merely to suggest to the minister that these matters are acquiring an importance which probably he and I both deprecate. This party has made perfectly clear its disposition in the matter of trade by the way we have gone along with the various agreements under GATT, but on the other hand we have to face the fact, as Dr. Mackintosh says, that the professions and desires of the United States government are not always backed up by the performance of the officials who administer the law. Having said that, I wish the minister would speak to us and give us a picture of the situation as he sees it, of what the tariff board is doing now and what plans he has, and in general take us a little more into his confidence.

Mr. Knowles: There are one or two questions I wish to ask, but they are on a different matter. Perhaps the minister would rather reply to the hon. member for Greenwood at this time.

Mr. Harris: The tariff board is presently almost fully engaged in the consideration of the tariff items with respect to primary iron and steel. That was a reference which was made to them some months ago, and I must say it is a long and quite cumbersome procedure to cover all the ground that has to be covered, having in mind that the particular tariff schedules had not been dealt with in any general sense since 1907. This in itself would be sufficient work for a board of three at the present time. In addition, however, I was hoping to have the board, as I said we proposed to do in the budget address a year ago, consider the tariff schedules on chemicals, and I think perhaps that has been done recently. If not, it is going to be done at any time now. In the budget address of this year I also referred to the possibility of asking the board to report to us on the radio and television business. It would seem, in my view at least, that there will be considerable work of this kind which will require lengthy and full-time consideration for at least a period of time. But in between all this the tariff board has to deal with appeals from decisions of the deputy minister of customs with respect to various interpretations placed upon the customs tariff and the Excise Act.

While I would not like to use the word "law", because as a matter of fact it is usually fact, nevertheless the results of the decisions of the board in these matters are either accepted by the government as being the interpretation of the appropriate customs tariff item or possibly legislation is brought forward to change it if in the view of the government the decision does not reflect the policy of the government in this particular regard. Many persons who are subject to these imposts are using the appeal system, and I look forward to the work increasing from time to time. Indeed, as I said a moment ago, I think it is the best way in which law can be made. Parliament should do its best to pass law which is understandable and under which traders can conduct their business with confidence, but if there is any doubt in their mind or if in accordance with well established practice they feel they can escape an impost or tax there ought to be a body to which they can go and seek to obtain the interpretation they place upon the particular statute that is causing them difficulty.

For these reasons I am sure that hon. members will agree that at least at the moment, and as long as the government follows the practice of referring questions for report

under the Tariff Board Act, it would seem likely that the board would not be able to keep abreast of its work. I must say that they are doing very well, but at the same time in this particular field no one wants delay in knowing what the law or tax may be. As I personally feel that this work will grow and, indeed, I hope it will grow for the reasons I have given, that we want an established law in this field, I think we ought to increase the number of members in order that no one will be delayed in his ordinary business transactions.

In the very general sense that my hon. friend asked me, may I point out that these inquiries are directed by the minister under section 4 (2), I believe, of the act by virtue of which the minister may ask for information or a report on any given subject. In the course of the period of time that I have been Minister of Finance we have had two reports, one on the textile trade and one on potatoes. I have also indicated the other items that are being considered at the moment.

If the hon. member for Greenwood will forgive me, I would prefer not to say very much about the general world trade and tariff situation because I think he may have seen in the papers there is a report, which the government has not confirmed but which I will confirm now, that certain negotiations have been going on and have been completed at Geneva. I fancy that the results of those negotiations will be made known to the house by my colleague, the Minister of Trade and Commerce, probably in the course of two or three weeks, and it may be that on that occasion or on his estimates or at some other time we might choose to have a debate on GATT and allied subjects. I would be glad to say something then because personally I disapprove of the use of escape clauses except under the most urgent need. But I do not think that our neighbours to the south have perhaps been accurately dealt with when some people say that they have used the escape clauses to a greater extent than they might. I think there is a case to be made for our trade relations with the United States and the results under GATT with respect to that country have been reasonably good over the last six or seven years. I would be glad to make that case if it is not made by someone else.

At the same time I am quite satisfied that the longer we continue the present policy of having frequent meetings, having understandings on frequent occasions and having bindings of our tariff schedules for a period of time—in this case I think it has been two years—the better it will be for everyone concerned. I am quite satisfied that as time goes by this process will be accepted by the nations of the world and there will be a greater opportunity for a firmer view that trade after all should not have very many restrictions against it. I need not make the qualification that all of us do have tariffs of one kind or another. Presumably every country will always have a tariff of some kind or another, but I do feel that GATT was a great step forward and I do feel that this government is quite proper in its support of it. Indeed, I think all members of the house have supported it at one time or another and in fact, I do not recall that very many exceptions have been stated at any time.

If the hon. member for Greenwood will permit me I will leave the matter that way because I do think there is this other opportunity to discuss it and it would be a better opportunity because under the Tariff Board Act hardly any of the activities of the board have to do with tariff matters in the sense of external relations except those reports I call for. It may be that a tariff board decision would render the admission of an item free of duty whereas the government may have thought that it was subject to an impost. There may also be the opposite case where the government thought that an item was free of duty and a decision was made that it was dutiable. But the number of occasions on which there would be any great variation would not be so great that the activities of the board itself would be a matter which in this manner would affect our trade relations with another country.

Mr. Macdonnell: If the hon. member for Winnipeg North Centre will allow me to ask a supplementary question, I do not imagine there will be much difficulty agreeing with the minister that it is desirable to extend the membership of the board. Indeed, my query is really almost in the opposite direction. I inferred from what the minister said that the inquiry into the chemical industry which he forecast a year ago has not been made. I assume, therefore, that the board has had too much other work and I raise the question whether, in view of the appeals which I gather are increasing in number, the minister is going to be able to have these inquiries completed fast enough for his purposes. That is a matter on which he will have to reach his own conclusion, but it would be a pity if important information was not available to the minister in time. After all, I take it that the making of tariffs depends primarily on knowing your case thoroughly, and I raise the question whether the government is keeping a close watch to

see that this information is coming forward fast enough and, if not, taking steps to that end.

I suppose it is conceivable that they might farm out some of these inquiries as they have done in other cases, but I am making the point merely because I gathered when the minister was speaking that the board has not been able to proceed with the inquiry into the chemical industry and I was struck by that fact. I think it would be a pity if the government found itself in a position where it was not able to act without substantial delay by reason of the necessary research material not being available.

Mr. Knowles: Mr. Chairman, there are one or two questions I should like to ask. I suppose the answers to some of them are obvious but it is always good to get them on the record. First of all, can the minister tell us what will be the amount of the salaries of the two additional members? I believe there are three different salaries for the three present members of the board, including one salary for the chairman, another for the vice-chairman and another for the third member of the board. What would be the salaries of the two additional members? Also, can he say whether the other conditions that obtain, such as the ten-year tenure of office, the age of retirement and so on, will apply to the two new members?

My other question relates to the statement the minister made that it was his thought that the board would divide into two parts so that two investigations or two inquiries could be under way at the same time. In that connection I should like to ask him whether any change is to be made in subsection 2 of section 5 of the act which already gives two members of the board power to conduct an inquiry under certain subsections of section 4. It does not include subsection 2 which is the subsection under which the minister makes references to the board. In this connection there are one or two points that strike me. It seems perfectly proper that, when you have a board of three, two of them—who after all constitute a majority of the board—should be given the powers of the board. But when you have a board of five is it appropriate that two—who would constitute only a minority of the board—should be given the powers of the board? Will there be some arrangement whereby a decision or a report arrived at by two members of the board will be submitted to a meeting of the full board? It is fairly obvious that it would not seem to be a report of a board of five if that report is made by only two of its members.

[Mr. Macdonnell.]

Mr. Harris: To answer the first question first, may I say that there is no change in the salaries. We shall have three salary levels, namely that of the chairman at $16,500; the vice-chairman at $14,500 and ordinary members at $13,500. However, we shall have two vice-chairmen. At that rate we shall have two paid at $14,500.

With respect to the other question, I suppose one ought to answer—and the time was not so long ago when at this stage on a bill this was the answer made—"wait until you see the bill", but we seem to have grown out of that practice.

Mr. Knowles: I think my question was more germane than were some of the others that have been answered.

Mr. Harris: I am not disputing that statement. As a matter of fact, we are contemplating a situation where we may have two vice-chairmen and appropriate members of the board working on different things at the same time, either completing a report while another investigation is beginning or having hearings going on at the same time on different subjects. That is the purpose of having two vice-chairmen. The appropriate amendments which would give power to a certain number to have a hearing and make a report are included in the bill.

Mr. Knowles: I am not sure whether or not I heard the minister correctly, but I thought he said the chairman's salary was $16,500. According to the estimates I believe it is $16,900.

Resolution reported and concurred in.

Mr. Harris thereupon moved for leave to introduce Bill No. 290, to amend the Tariff Board Act.

Motion agreed to and bill read the first time.

WAYS AND MEANS

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide, among other things:

1. That for the 1956 and subsequent taxation years in the taxation of employees who are beneficiaries under an employees profit sharing plan, (a) gains and losses of the trustee under the plan in connection with investment transactions shall not be taken into account in calculating the income of the employee; (b) such part of any amount received by the trustee as a dividend from a taxable corporation as is taken into account in calculating the income of the employee shall be deemed to have been received by the employee as such a dividend for tax credit purposes; and (c) there shall be excluded in calculating the income of an employee

for the period of his first three years as a beneficiary under the plan any amount contingently allocated to him if, within that period, the employee does not become entitled to receive that amount upon his withdrawal from the plan.

2. That for the 1955 and subsequent taxation years a deduction shall be allowed for expenses of attending in Canada not more than two conventions annually relating to the business of the taxpayer.

3. That for the 1956 and subsequent taxation years uncertainty regarding the applicability of outstanding regulations respecting depletion allowances be removed.

The Chairman: The house again in committee of ways and means on a certain proposed resolution respecting the Income Tax Act. Shall this resolution carry?

Mr. Macdonnell: Mr. Chairman, it is difficult to make a great story about the changes in the Income Tax Act this year. We said we found little in the budget and this is a small fraction of even that budget. With respect to the employee's profit-sharing plan, I wonder whether we might ask for some explanation with regard to the kind of transaction which would be involved in this legislation? In particular will the minister go through (a), (b) and (c) and just expound the situation?

Mr. Benidickson: Mr. Chairman, the special provisions with respect to profit-sharing plans are set out in section 79 of the Income Tax Act. As hon. members know, under this section if a trustee is appointed to receive profits set aside for the benefit of an employee, regardless of whether or not he receives those profits for probably a considerable number of years, they are considered to be income within the year in which they are allocated. However, representations have been made that even though the employee does not receive the benefit of the income and has to pay a tax on it, which in itself is sometimes objected to but is considered to be a benefit and therefore taxable, there are other factors that do permit income tax concessions that have not been utilized when the income is paid to the trustee of a profit-sharing plan. One, of course, is the matter of capital gain or losses. If there was a capital gain in the hands of an individual, as hon. members know, there is no capital gains tax. With respect to gains or losses on the funds that are handled by the trustee, these will not be taken into account in calculating the taxable income of the employee. What he will pay income tax on will be simply the amount that has been allocated to him in that year by the employer. Then under (b) the complaint that has been received that the trustee is not entitled to take advantage of the dividend tax credit provision is corrected. This would be available for an individual receiver of a dividend from a corporation that has paid Canadian taxes. The trustee will be able to deduct the usual dividend tax credit and the income will not as formerly be fully charged to the employee as taxable income. Then, under clause (c) it has been found that sometimes income has been allocated to an employee, but under the terms of the plan he has no vested interest in this allocation unless he stays in the employment of that particular employer for a certain period of years. Now, this provides that if the employee leaves that employer's employment within three years before he has received the vesting of his interests, a refund of taxes that have been charged to him will be arranged.

Those are the three features that are involved. They are all relieving sections, even in so far as participation in a profit-sharing plan is concerned, and they all have counterparts in income tax privileges on income if it went directly to the individual.

Mr. Harkness: May I ask what loss or gain to the treasury is expected to accrue from these changes?

Mr. Benidickson: It is a very difficult thing to estimate, Mr. Chairman. Profit-sharing is a practice that is growing. There are not too many of these plans, but they are becoming more common. We have no real statistics as to the actual amount of taxes represented by (a) (b) or (c); I think my hon. friend can realize that it is difficult to have statistical information as to what income tax we have placed, say on capital gains that have developed upon funds that were in the hands of the trustees of a profit-sharing scheme.

Mr. Harkness: As I understand these provisions I am sort of agreeable to them. I think they will probably be to the advantage of the taxpayer. The general purport of my question was to find out how much they were to the advantage of the taxpayer, if my assumption they were to his advantage was correct.

Mr. Benidickson: They are all relieving features.

Mr. Harkness: The parliamentary assistant apparently cannot give any figures, but can he assure me all these features accrue to the benefit of the taxpayer?

Mr. Benidickson: That is right.

Mr. Harkness: There is one other question I would like to ask which arises out of the preamble:

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide, among other things—

What is the significance of the "among other things"? Are there some other income tax amendments which are not included in

this particular paper we have before us and which will be subsequently introduced?

Mr. Benidickson: The introduction of these budget resolutions is always followed, after they are passed, by the introduction to the house of a fairly substantial bill amending the basic Income Tax Act. A majority of the changes in this rather bulky amending bill are always of the technical type, administrative changes and interpretations, matters of that kind, and that is largely what is referred to in the "among other things".

Mr. Harkness: Do I understand from that remark that the income tax bill which will be brought in will have a considerable number of other changes, some of which, so far as the regulations are concerned, might constitute more important changes than the three provisions which we have in this resolution before us?

Mr. Benidickson: Regulations, of course, are usually made by executive action and not by parliamentary action. I can assure the hon. member that it is expected that the amendments to the Income Tax Act this year will certainly be considerably less than the rather, as I said, large amending bill that was presented last year.

Mr. Knowles: There is one point I should like to make, but before I do so I might perhaps remind the parliamentary assistant that, although regulations are made by executive authority, they are made only by such authority as the executive receives from parliament. The regulations cannot go beyond whatever basis is laid down in a statute.

But, Mr. Chairman, with regard to the question raised by the hon. member for Calgary North, is it not true that any changes in the bill to amend the Income Tax Act which involve any change in the balance of ways and means would have to be referred to in this resolution? Is it not true that though there may be other changes they could be only of an administrative character and could not involve an upset in the balance of ways and means?

Mr. Benidickson: I think that is an interpretation that could be used.

Mr. Knowles: Can there be any other?

Mr. Benidickson: Well, over-all upset of balance of ways and means, I think my hon. friend is referring to. Administrative changes that involve leniency or the opposite in interpretation and so on, I suppose, have degrees of effect upon tax collections, but so far as the general basis of income tax resolutions are concerned, any substantial effect upon ways and means is referred to in the resolutions that follow the budget.

[Mr. Harkness.]

Mr. Knowles: Can we not have it clear? Has the government anything up its sleeve in the bill?

Mr. Harris: No.

Mr. Knowles: You could have said that the first time.

Mr. Harris: You should not have thought we did.

Mr. Knowles: Oh?

Mr. Pearkes: There is one small group of taxpayers upon whose behalf I should like to make a plea and ask whether they will receive benefits under these provisions. I refer to those who make their sole income or augment their income by painting and who may be generally described as artists. Very frequently this group of men have to spend a long time in preparing their particular pictures. Frequently they have to take photographs of the area they want to paint and they may have to visit the area a couple of times. Then, quite often, they have to wait for two or three years until they have accumulated enough paintings to hold an exhibition.

At the time the exhibition is held they may have a considerable sale of their canvases. This means that although they have accumulated expenses over a number of years, their income is restricted to one particular year, the year in which they have the exhibition. I understand that some benefits are granted to authors who take some considerable time in assimilating the material for their book. I should like to ask the minister or the parliamentary assistant whether any consideration should be given to this other group of professional men who are in a position not unlike the position of the author.

Mr. Benidickson: My hon. friend and I had a conversation on this point either just before the night of the budget or very shortly afterwards, and I explained to him that requests of this kind, when submitted either by letter or other forms of representation, are carefully considered by quite a large committee of officials of the government and then the ministers chiefly concerned, prior to the bringing down of the budget. He did compare the situation of the artists with the authors. I made inquiries and found that no such request had come to the attention of the government either this year or could we find one in previous years. I invited my hon. friend to continue his argument and further elaborate on the analogy and assured him that it would be considered by the budget committee in another year.

Mr. Pearkes: Will you take this as further representation and give it consideration for the future.

Mr. Nicholson: I would like to ask a question based on what is in this particular clause. I wonder whether the minister's parliamentary assistant has given consideration to the revenue that might be available on capital gains items? For example, there was an item in the paper the other day to the effect that former Premier Henry of Ontario sold his farm for $2 million. I understand this farm came into the family for about $200 originally. It seems to me that because of the policy of building up our cities people are making fantastic profits on capital gains in land and they should pay some return back to the treasury.

Mr. Nesbitt: Succession duty gets it.

Mr. Nicholson: Not in the form of income tax. It seems to me that here is a field where a lot of revenue would be available. From time to time members of the opposition make requests as to expenditures, and this evening the minister or the parliamentary assistant might indicate what consideration has been given to this important sector of the Canadian economy that certainly in the last 10 years could have provided substantial revenue for the country. The gains which have come to individuals as a result of government policy, but not as a result of any improvements they have made upon the lands, have been fantastic. For example, in the city of Ottawa if you want to get a decent piece of land on which to put a very small house you have to pay a very high price for it. Twenty years ago this parcel of land was worth very little. As a result of the people of Canada participating in building up this capital city those who sold lots have made fantastic returns. Can either the minister or the parliamentary assistant indicate what amount of revenue may be tapped from this field?

Mr. Benidickson: Mr. Chairman,—

The Chairman: Before the parliamentary assistant replies, may I say it seems to me we are wandering rather far afield from this resolution, which, to my reading, is very much confined. Perhaps this might be dealt with on other occasions. Shall the resolution carry?

Mr. Hamilton (York West): Mr. Chairman, I have a question but it is not along the line of the questioning of the hon. member for Mackenzie because his intention is to remove all types of incentive in this system of ours. My question has to do with paragraph 1(a). Does this paragraph mean that all transactions carried out by a trustee are going to be ruled as capital gains or capital losses transactions?

Mr. Benidickson: The proposed amendments refer only to the taxation that might apply to the individual to whom is allocated a share of the fund. It simply says that the gains and losses of the trustee operating the plan will be ignored in so far as the individual is concerned.

Mr. Hamilton (York West): Is the trustee himself to be taxed on any of those transactions?

Mr. Benidickson: No.

Mr. Hamilton (York West): So, in effect, the parliamentary assistant is answering my question in this way—

Mr. Benidickson: The trustee does not pay tax because of the special provisions of section 79 which provide that the employee will pay on the allocations credited to him in the fund.

Mr. Hamilton (York West): In effect, the parliamentary assistant is answering my question in this way. No matter what the transaction may be that the trustee carries out, there will be no income tax payable or passed through to the employee. I should like an answer to the question.

Mr. Benidickson: The trustee does not pay the tax. The trustee would pay tax if it were not for the special provisions of the profit sharing section, section 79 of the act. This now is a tax relieving provision for the employee. Previously, employees did have to pay on their portion of a capital gain that might have been made in connection with the investments made by the trustee in operating the fund. From now on he will not be taxable for his individual share of a capital gain in the fund in the hands of the trustee.

Mr. Hamilton (York West): May I proceed with the question? There may be two types of transactions carried on here by a trustee, and I would like to have this cleared up. A trustee might have a transaction as an individual transaction which would be considered very definitely as a capital gains transaction; but if he were engaging in certain types of investments regularly I am sure the Minister of National Revenue would probably say that he had engaged in that and was doing it for a specific purpose, and he would be looked upon as earning income because of those activities. Do I understand from this section that no matter what his activities may be there will be no taxation from the income point of view either of the trustee or passed on to the employee who gets the benefit of it?

Mr. McCann: No matter what his activities as a trustee may be?

Mr. Benidickson: My hon. friend must remember that these trustees of profit sharing funds do carry on as trustees. They are not traders and they are not operating especially to do trading. They are investing the funds that are put in their hands, and they carry on under the normal rules that are consciously in the minds of trustees of all kinds of trust funds of this nature.

Mr. Johnston (Bow River): Do I understand we have not passed on to No. 2? Is that right?

Mr. Harkness: No; we are on No. 1.

Mr. Johnston (Bow River): What is it, Mr. Chairman?

The Chairman: Order. We are considering this resolution with regard to the Income Tax Act. There has been no agreement that we should discuss one paragraph or another.

Mr. Johnston (Bow River): I should like to ask a question—

Mr. Fleming: We had better do it in that way. There will be confusion otherwise.

Mr. Johnston (Bow River): I should like—

Mr. Fleming: Mr. Chairman, I understand my hon. friend's question is on the second paragraph. I am suggesting that since the discussion was not completed on paragraph one we should remain with that paragraph until it is completed; otherwise we are going to be very confused in our discussion.

Mr. Johnston (Bow River): I would have thought that was in the discretion of the chairman. He has said we are discussing no particular paragraph.

Mr. Macdonnell: On a question of privilege—

Mr. Johnston (Bow River): How many chairmen have we?

Mr. Macdonnell: On a question of privilege—

Mr. Johnston (Bow River): There is no question of privilege.

The Chairman: The hon. member is rising on a question of privilege.

Mr. Macdonnell: I wish the privilege of having you rule, sir, as to whether it would not be sensible and avoid a great deal of confusion to take this seriatim. I believe my hon. friend will agree with that and everyone will agree if we would just take the time to consider the convenience which it would give us.

[Mr. Hamilton (York West).]

Mr. Johnston (Bow River): I am not the chairman, and neither are a few others. The chairman has just told us we were—

The Chairman: Order. I have no authority to rule that we should deal with any part of this resolution in a particular order. However, if the committee by unanimous consent agrees to discuss paragraph one first it is quite within the powers of the committee to do so. Does the committee wish, for purposes of discussion, to deal with paragraph one first?

Some hon. Members: Agreed.

Mr. Harris: Mr. Chairman, we have been through this every year that I have been around here and we always seem to have the same difficulty. Surely, hon. members opposite had completed their questioning on the first paragraph.

Mr. Fleming: No.

Mr. Harris: I did not see anyone rise.

Mr. Rowe: No, they had not completed their questions.

Mr. Harris: Just a moment; will you tell me who rose?

Mr. Harkness: I attempted to rise and the Chairman gave the floor to the hon. member for Bow River.

Mr. Harris: I beg your pardon. I am afraid my eyesight must be leaving me. I saw the hon. member for York West remain in his seat and I did not see anyone rise. Let us get on with it.

Mr. Fleming: He is not through.

Mr. Harris: Now let us get on with it, because as I understand the questioning of the hon. member for York West we are trying to do here what he wants us to and he is holding us up.

Mr. Fleming: That remark should be resented.

Mr. Hamilton (York West): Mr. Chairman, I think that is very unwarranted. I think I am entitled to an explanation here, and as far as I am concerned, to date I have not received it.

Mr. Harris: Let us get it clear; my hon. friend wants to know whether the transactions of a trustee with respect to the trust fund are going to be taxable and by any plain reading of the resolution before you it is an effort to remove from taxation the gains and losses in that fund.

Mr. Hamilton (York West): Well, Mr. Chairman, I believe that for the first time I have received a straight answer to that particular question.

An hon. Member: For the sixth time.

Mr. Harris: The parliamentary assistant made that answer three times.

Mr. Hamilton (York West): I was told that the trustee had certain types of transactions and therefore he was not going to be taxed but certainly a profit can come in different ways. He might be in the business of investments and in the ordinary course of events his activities might be interpreted as such and might be taxed. Now the minister has definitely answered and said that under no circumstances will he be taxed and that is the answer we want.

The Chairman: The hon. member for Bow River.

Mr. Harkness: Mr. Chairman—are you on the next point?

Mr. Johnston (Bow River): Yes.

Mr. Harkness: I am still on this point.

The Chairman: Order. I invited the committee to give unanimous consent to dealing with paragraph 1 first for the purpose of discussion. So far as I know the committee did not extend such unanimous consent. I had recognized the hon. member for Bow River and as I see it he has the floor.

Mr. Fleming: Mr. Chairman, on a point of order, the committee gave unanimous consent in order that we might have an orderly discussion in the interests of all concerned; there was no dissent.

The Chairman: Does the committee give unanimous consent to dealing with paragraph 1 of this resolution for the purpose of discussion in priority to paragraph 2?

Some hon. Members: Agreed.

Mr. Harkness: From what the minister has said, Mr. Chairman, I understand that a trustee can invest money in any way which is allowed by the law and in any way he sees fit. Any profits he might make from that are not going to be taxable. That brings up the general question then of the position of the ordinary individual.

I am all in favour of putting the trustee in that position but I would like to see the ordinary individual put in that position also.

Apparently under the change which will be made by this resolution we are going to have the trustee in the position where if he buys three or four pieces of real estate in the course of a year and makes a reasonable amount of profit or even a big profit it is not going to be taxable, but if I as an individual do the same thing the profit in my hands will be taxable according to the interpretation of the Income Tax Act which the Minister of National Revenue's officials put on the matter and I will be assessed for it.

After we have passed this the trustee will be in a certain position and the ordinary individual will be in a different position so far as taxation is concerned or as far as capital gains are concerned.

In other words, it comes back to the general matter that the Department of National Revenue will in effect be taxing capital gains although the law does not provide for the taxation of capital gains.

We now have one particular type of person, a trustee, exempted from that and I think it is a good thing but could we not have the law applicable in the same way to all individuals so there will be no taxation of capital gains more or less at the discrimination of the officials of the Department of National Revenue?

The Chairman: Have we concluded the discussion on paragraph 1?

Some hon. Members: No.

Mr. Macdonnell: I want to ask the parliamentary assistant if he will read subsection (c) with a view to seeing whether there is a possible conflict by reason of the last two lines. Let me read them:

> (c) there shall be excluded in calculating the income of an employee for the period of his first three years as a beneficiary under the plan any amount contingently allocated to him if, within that period, the employee does not become entitled to receive that amount upon his withdrawal from the plan.

Is there any possible inconsistency in the event of any withdrawal?

Mr. Benidickson: No, Mr. Chairman, it is quite a common thing in these plans that while there is an allocation under present law in the eyes of the taxation authorities, no benefit is paid when any employee leaves his employment within a certain fixed number of years because according to the arrangements under the plan, in that particular industry there has been no vesting.

Mr. Harkness: Mr. Chairman, I would like an answer from the minister with regard to the general question of the taxation in effect on capital gains although it is not permitted by the taxation law of this country.

Mr. Harris: Well, Mr. Chairman, in this resolution capital gains refers only to capital gains made in one of these employee-employer funds.

On the general subject of capital gains I have said every time I have been called upon to say it that there is no taxation of capital gains in our income tax law.

Mr. Harkness: That is my very point, Mr. Chairman. There is no provision for taxation of capital gains but in effect they are being taxed.

To my knowledge at the present time there are before the officials of the Minister of National Revenue a large number of cases of assessment of people who put in their income tax returns completely convinced that the money they made on a particular transaction was a capital gain. Two or three, five or six or even ten years afterward the thing is assessed as income although the taxpayer was perfectly clear in his own mind that it was a capital gain and should not be taxed and then the man is taxed on it as income and is also assessed interest on the amount he should have paid. In effect, as I say, we have a tax on capital gains which in my opinion is contrary to the law.

My essential question to the Minister of Finance is this. Is he prepared to have anything done in order to put an end to this anomalous situation?

Mr. Harris: Mr. Chairman, the trouble is that the income tax appeal board holds that these are not capital gains. This is a question of whether parliament ought to legislate that they are not and ought not to be taxed or whether we ought to leave it with the income tax appeal board.

I have heard my hon. friend and other hon. members of the opposition suggest—and I am sure if I were there I would argue the same—that if you have an income tax appeal board you ought to leave it to their jurisdiction to determine the cases which come before it. If, however, they make a decision which is contrary to government policy, the government will bring back before parliament and seek to have passed an amendment to the law. But so long as we do not have a tax on capital gains, and so far as the appeal board is concerned, it says it is not taxing a capital gain but is taxing income, I do not see that my hon. friend can expect any other result than what he gets.

Mr. Harkness: This has produced a very inequitable situation. A man is assessed on one of these things which he thinks is a capital gain if it is a large amount involved—

Mr. Knowles: Mr. Chairman, on a point of order, how is this discussion in order if the discussion my colleague the hon. member for Mackenzie sought to raise was ruled out of order?

Mr. Harris: It is not in order at all.

Mr. Harkness: Mr. Chairman, if I may speak to the point of order I would say I think it is in order because this resolution concerns the taxation or non-taxation of capital gains and therefore it is in order.

The Chairman: I think the hon. member for Winnipeg North Centre is quite right in rising to his point of order. I interrupted the hon. member for Mackenzie when he was speaking of a similar matter a short time ago. The hon. member for Calgary North commenced to speak of capital gains in relation to trustees, under paragraph 1 of this resolution, and by almost imperceptible degrees commenced to speak of capital gains—

Mr. Knowles: Quite perceptible.

The Chairman: Almost imperceptible to the chair, shall I say. He proceeded to discuss capital gains as applied to individuals. It is quite true that this resolution deals only with gains and losses of the trustees under the plan, so that a discussion of capital gains other than that is not in order. Have we completed our discussion of paragraph 1?

Some hon. Members: Agreed.

The Chairman: Paragraph 2.

Mr. Johnston (Bow River): I should like to ask the minister to define, if he will, what he means by "conventions" in paragraph 2. Are we to understand that any taxpayer who attends a convention has the right to deduct that from his income tax? For instance, if a farmer attends an agricultural convention, if a teacher attends a convention or if anybody else attends any convention which is part of his business, will he be allowed an exemption on this? Will the minister define what he means by "convention"?

Mr. Benidickson: Without anything overly direct or specific in the Income Tax Act, up until a court decision of 1955, taxpayers in business were allowed tax deductions with respect to expenses attending conventions under section 12, which refers to deductions of expenditures made in order to earn income. In 1955 a court decision held that, as the law was written, convention expense was not an expenditure necessary for the purpose of earning that income, and therefore the convention expenses of that taxpayer who appealed were disallowed.

It is proposed here to restore more or less the administrative practice that had been in existence prior to 1955, when that court decision was rendered. I draw to my hon. friends' attention the word "business". This would apply to a person who was attending a convention in connection with his profession or his business, and it was considered to provide benefit to him in earning his income.

Mr. Knowles: I must express amazement that this change has been brought in. The parliamentary assistant says that it is an attempt to restore the administrative practice, but it reminds me of a chapter in income tax history which, I am sure, is still in the memories of a good many who are here in the house.

A number of years ago there was general provision that the membership fees that certain people paid could be deducted for income tax purposes. Apparently it was intended by the government at that time that the deductibility of those membership fees should apply only in the case of persons who were on gross income, the kind of income that doctors and lawyers obtain by receiving fees and paying out certain expenses, in other words self-employed persons.

However, as hon. members recall, there were, once upon a time, a couple of trade unionists who sought the same deductibility for their trade union dues. They took their case right to the Exchequer Court of Canada, which ruled that, under the law as it formerly read, they were just as much entitled to that deductibility as were doctors and lawyers. The government, shortly after that, following the course of procedure to which the Minister of Finance referred a moment ago, brought in an amendment to the act to change it and make it clear that people on net salaries or wages would not have the privilege of deducting their dues to the organization with which they were connected.

So for a number of years we had the situation under which lawyers and doctors as professional people who received fees and were allowed to deduct expenses, were permitted to deduct their dues to the bar association or the medical society. On the other hand, during that same period, trade unionists on wages and school teachers on salaries were not permitted to deduct their membership dues to their trade unions or their teachers' associations. The same limitation, I may say, was imposed on any doctors or lawyers who were on staffs of various institutions and, consequently, on salaries.

Despite the fact that, to the income tax authorities and to the Minister of Finance at that time, this line of distinction seemed to have some sense, it did not have sense in the eyes of the general public. It certainly did not appeal to the trade unionists of this country, who were denied the right to deduct their trade union dues, whereas most doctors and lawyers were being allowed to deduct their dues to the bar association or the medical society. Consequently, as members will recall, a few years after the period to which I have been referring, and after many amendments and speeches from this part of the house, the government brought in at long last another amendment to the Income Tax Act permitting the deductibility of trade union dues and fees to other professional organizations to which people belong in connection with the work they do in earning their living. In other words, that story, which indeed had several chapters, finally came out more or less all right. There is one qualification with which I could deal on some other occasion, but it came out more or less all right, in that a result was achieved whereby all these people —doctors, lawyers, trade unionists, teachers and professional people—seemed to be put on the same basis. They were all—and they still are all—permitted to deduct their membership dues to the bar association, the medical association, teachers' societies, trade unions, or what have you.

I think the government learned a good lesson from the debates that took place on that issue, and the government did well eventually to come out where it should have come out on the matter, but now we are starting all over again. Now a proposal is being made which, though the distinction, as set out in the resolution and as underlined by the parliamentary assistant, may seem clear to the government, nevertheless will again create a sense of discrimination.

Again we are going to have the situation that certain people in the country will be able to attend conventions, two of them a year, and be allowed to deduct their expenses from their taxable income. But, in order to qualify for that right to deduct these convention expenses, you will have to be the kind of person who receives gross income, again like doctors and lawyers, against which you are permitted to charge the expenses that you incur in connection with earning that income. In other words, you will have to be self-employed. In the case of the teacher, as my hon. friend from Bow River used to be, or in the case of trade unionists who work for wages, they will not be allowed this right to deduct expenses of attending conventions.

I want to be perfectly fair about this and admit that there is a difference with respect to conventions, one that did not apply with respect to membership dues and fees. As far as membership dues and fees are concerned, they are paid by the individual himself in practically all cases. When it comes to conventions—let me refer to medical and bar conventions on the one hand and trade union conventions on the other—I recognize that in the case of medical conventions, such as my hon. friend who sits at my right may attend, undoubtedly he will pay his own expenses,

and those, therefore, will be expenses that he incurs out of his own pocket in connection with the earning of his livelihood as a doctor. I recognize that in the case of most trade unionists who go to conventions their expenses are paid for them by the union they represent, although there are some exceptions to this general rule. Nevertheless, these same trade unionists will see, in addition to the same discrimination that applied before cropping up again, that the justification for convention expenses being allowed as deductible is that those expenses relate to the business of the taxpayer. To the average wage earner this paragraph means that the expenses that are recognized are those that relate to the earning of a livelihood by a doctor or a lawyer. That raises in the minds of the average wage earner the question that he has been asking for many years. Why can he not get a deduction for some of the expenses he has to incur directly in connection with earning his livelihood?

That raises the whole question of the special tools that some workers have to purchase. It raises the question of the special clothing that workers in some industries have to buy. It raises the question of special expense in connection with travelling great distances to places of employment. All of these requests that have been made from time to time to the government on behalf of workers are made under the general thought that money that you expend in order to earn your livelihood should be allowed as a deductible item. I think of the position of married women who go out to work and find it necessary—

Mr. Harkness: On a point of order, similar to the point of order which the hon. member raised against me a short time ago, are we not considering now only expenses which may be deducted for attending conventions and not the type of clothing that people may wear in the occupation they pursue or anything else along that line? Therefore the hon. member for Winnipeg North Centre is out of order.

Mr. Knowles: I do not blame the hon. member for trying to get back at me but he had better wait until he has a much better case than he has now.

Mr. Harkness: Mr. Chairman, I ask you if my point of order is not well taken.

Mr. Knowles: On the point of order, I submit—

The Deputy Chairman: The hon. member does not need to justify his position. I think the hon. member for Winnipeg North Centre is perfectly in order in outlining an analogous and comparative case. I have been sitting here attempting to listen to him very carefully and prepared to call his attention to the fact when I thought that he was arguing the merits of the analogous case and not the merits of the resolution before us, but I do not think he has reached that stage.

Mr. Harkness: Still on the point of order, I see there is a different chairman in the chair. As I was doing the same thing and was ruled out of order, may I now come back to my original point?

The Deputy Chairman: For the benefit of the record, I think that perhaps it might be stated here that I heard the ruling made by the previous chairman. I think that he and I are endeavouring to follow the same line of reasoning. I feel he would have come to the same conclusion as I have at the moment just as I would have come to the same conclusion that he did at the time he considered it necessary to interject. The hon. member for Winnipeg North Centre will continue. Of course, any member has the right at any time to raise a point of order. I, unfortunately for me, have the responsibility of deciding them.

Mr. Knowles: Mr. Chairman, I appreciate the analysis you have made of the argument I was trying to make and, if I may say so, your analysis was perfectly correct. By making these other references I am trying to persuade the government that it should do either one of two things. Either it should not go ahead with the proposal in paragraph 2 or it should broaden what it proposes to do in paragraph 2 and allow all people deductibility for moneys that they expend in relation to the earning of their livelihood. If I may complete what I was saying, I was referring to one more example when I was interrupted by my good friend, the hon. member for Calgary North. I was referring to the case of married women who go out to work, find it necessary to hire someone in the home and feel that the money they spend on that is just as much an expense in relation to earning their income as is the money that a doctor or lawyer spends in going to a convention. I see that you are shaking your head, Mr. Chairman. I do not know whether you disagree with my argument or whether you think that I have strayed too far. At any rate, I will not go any further. I think I have made my point.

In fact, I must say that I was thinking of this the other day when the Minister of Finance laid down the dictum that it is not a good idea to introduce too many exemptions in the income tax law. He said that every time you introduce an exemption you have a clamour for some other exemption and this thing goes on and on. Now in paragraph

2 of this resolution, he is doing the very thing that he argued against when he was speaking the other day. I feel that the government appears, by its decision in respect of this matter, not to have learned its lesson from its long experience with relation to doctors' and lawyers' fees to their societies on the one hand and the dues of trade unionists, teachers and other professional people on the other hand.

I realize that the hon. member for Bow River was hopeful that this resolution meant that people who attend the kind of conventions that he goes to would get deductibility for those expenses. I think he now knows that is not the case and that this is limited simply to people like doctors and lawyers who make their income in a particular way and that is not one of those general exemptions for convention expenses as people might have thought it to be. In my view the government should reconsider its position with respect to this proposition. Either it has gone too far or it has not gone far enough.

Mr. Nesbitt: In view of the wording of this part of the resolution I submit that it was ill thought out when it was drafted. I refer to that part of paragraph 2 reading:

> . . . a deduction shall be allowed for expenses of attending in Canada not more than two conventions annually . . .

And so on. Since this session started we have heard on numerous occasions from members on all sides of the house about the shortage of engineers and scientists in the western world compared with the Soviet union and her related countries. We have not only heard about it in the house but we have heard about it from the Department of Labour in the committee on estimates. We heard about it the other day from Mr. Cavell in the committee on external affairs. We have also read about it in magazines and all sorts of authoritative publications.

I think there is little doubt that the countries of the western world, nations such as the United States, Canada, Great Britain and so on, are desperately short at the present time of needed trained scientists and engineers compared with the Soviet union. In fact, in this country in particular we are very short indeed. We only had to listen to the evidence in the external affairs committee the other day to emphasize that point.

It is quite impossible to produce a great number of highly trained scientists and engineers in a few days, but what we can do is to try to assist the scientists, engineers and doctors that we have in our country at the present time to enlarge their knowledge in their own fields. One of the very good ways of doing so is to allow them to attend conventions of scientists, doctors and engineers in other countries such as the United States, the European countries and so on. I think it is quite ridiculous that they should be limited to attending conventions in Canada. I am sure that whoever drafted the resolution did not think about it very much because I point out, as I have already said, that if you cannot get more of these people you can at least improve the quality of the ones you have, and the best way to do that is by an exchange of ideas with scientists, doctors and engineers of other countries. I hope that the minister will reconsider this paragraph of the income tax resolution and make some changes.

Mr. Thomas: I should like to ask the minister to be a little more specific on the point raised by the hon. member for Bow River and to ask him whether or not under the terms of this amendment a farmer would be considered a businessman and would be allowed to deduct his convention expenses incurred while attending a farm union convention.

Mr. Benidickson: That farmer would be so entitled, Mr. Chairman.

Mr. Monteith: The hon. member for Oxford covered I think what should be changed in this section. However, I should like to point out that any businessman in Canada can have his expenses paid to go to the United States or to go to Europe on business. Why should not the same consideration be accorded to a professional man who is also laying out money to increase his earned income on which he is going to pay taxes?

Mrs. Fairclough: Mr. Chairman, I agree with remarks made by the hon. member for Oxford and the hon. member for Perth but I should like to go a little bit further. With regard to this clause 2, I think the minister has said that this provision relates to business or profession. I think that he should be a little bit more definite on that point. It actually does say "business"; and in a good many persons' minds there is a distinction between a person engaged in a business and one engaged in a profession. In the minds of a good many of the assessors in the income tax branches throughout the country, I know that what appears on the book is law and what does not appear there is something they find extremely hard to interpret. With that consideration in mind, I would think that the minister might be a little bit more explicit in this regard and broaden the field to business and professions. I also think that he might drop from this section 2 the words "in Canada". Such action would meet the

objections which have been raised with regard to conventions which are held elsewhere than in this country.

Since the chairman has permitted the hon. member for Winnipeg North Centre to explore the field of allowable deductions, I might say that I have some sympathy for the views which he has expressed, particularly with regard to deductions allowed to married women who are working. I have particular sympathy for them because I have had personal experience with that particular phase over many years and have been in the unenviable position—as have a great many other working women in the country—of having the statutory exemption reduced from $2,000 to $1,000 and then having to expend in addition the amount that was laid out to secure the services of a person to do the work which a housewife would ordinarily have done in her own home and for which there was no basis for deduction under the Income Tax Act. I have long felt that it was a grave injustice because it is a fact that most of the women who work outside their own homes do not do so from choice; they do so from necessity. Consequently it is a great hardship for them that they should be forced to expend money for the hiring of household help in order that they may augment the family income and that they or their husbands at the same time are penalized by being placed on single status in so far as statutory exemption is concerned.

In considering this point and in view of the point which was raised by the hon. member for Winnipeg North Centre I feel strongly that consideration should definitely be given to the situation which exists in Canada today and that the statutory exemption for married persons should be allowed to the spouse who is the recognized breadwinner for the family and that the statutory exemption for single persons should be allowed to the other partner in that marriage if he or she should likewise be earning an income outside the family. If you are not going to allow these exemptions on that basis, then definitely the point raised by the hon. member for Winnipeg North Centre becomes pertinent, and the expenses which are laid out by the person who is forced to seek some sort of earning capacity outside the home should be allowed as an expense.

Mr. Nicholson: The hon. member for Winnipeg North Centre made a good argument but there are two or three points I should like to raise. First of all, I note that this amendment includes the year 1955. It would appear to me that that is an unnecessary provision to make. We are now well into May of 1956. A citizen who incurred expenses in 1955 in connection with attending conventions had no indication then that he would get any such provision made. It is now past the time when income tax returns can be filed. Since this deduction is not allowed now, it would seem to me that it is unfortunate to have that provision in legislation we are discussing at this stage.

I wonder whether the minister or his parliamentary assistant could estimate what this change is going to cost the treasury? Some estimate must have been made before this change was brought in. I think we should have some information about that matter. I wonder whether the parliamentary assistant could give an indication of the situation with regard to what now is considered to be an extremely important item in connection with these conventions? I do not attend conventions of this sort myself but when I go to the Chateau Laurier and see the conventions that are held there nearly every day I find that the liquor bill that somebody must pay must be terrific. I wonder whether this provision has been made so the taxpayers of Canada will be asked to foot the liquor bill that seems to be so important in connection with most conventions that are now held?

Some hon. Members: Oh, oh.

Mr. Nicholson: I wonder whether the minister can tell us what the cost to the treasury will be and whether this amendment is providing that the liquor expenses that are involved will be included?

Mr. Benidickson: Mr. Chairman, this has been a deduction, as I say, that has been allowed for some considerable number of years. It was interrupted in 1955 by a court decision. It is not unusual to restore by new law what has been administrative practice. As it was a deduction under a general section of expense in connection with the earnings of income, we would have no statistics of the actual total sums deducted in this category alone. I can assure my hon. friend that vouchers and receipts in detail indicating the nature of the expenses for conventions are required by the officials in the Department of National Revenue examining the tax returns; and he can be sure that certain items such as those to which he referred would be disallowed.

Mr. Rowe: You should not charge for your liquor anyway; pay for it yourself.

Mr. Herridge: I wish briefly to support the excellent argument made by the hon. member for Winnipeg North Centre. If we allow for a very few people in Canada these expenses for travelling in connection with

attending two conventions a year, I think we should allow other even more legitimate expenses.

I refer again to a matter I have raised on five occasions during the last five years and that is the abnormal travelling expenses of industrial workers who, because of the circumstances under which they work, must live 15 to 35 miles away from their place of occupation. I could never see why a traveller could charge up his expenses for selling bubble gum, no matter how far he travelled, while an industrial worker was not allowed exemption for abnormal expenses. I am not suggesting anything like 10, 15 or 25 cents. I am thinking of some of the workers of consolidated mining and smelting company who pay all the way from $15 to $35 a month in abnormal travelling expenses because they have to live long distances away from the plant in order to acquire living accommodation.

Before I sit down, and I think I am in order —in fact I am always in order—I want to deal with another matter which is really the inverse of what I have been talking about. We have a lot of volunteer fire departments in British Columbia. These volunteer firemen are allowed a little money for travelling to and from their homes when fires occur. This is added to their income, and in some cases these volunteer firemen who risk their lives in fighting fires are put into a higher income tax bracket and have to pay a higher tax. This has been brought to the attention of the minister on numerous occasions and I think it is unfair. There should be some consideration given to these men who render a community service by fighting fires in the communities in which they live.

Mr. Monteith: I wonder if the parliamentary assistant or the minister could give me an answer to my previous query as to why a businessman or a government member on the front benches who wants to go to the United States will be allowed his expenses on a business trip when he is going to earn income on which he is going to pay taxes. Why should not a professional man be allowed to go to at least one convention in the United States or Europe or wherever it may be?

Mr. Benidickson: My hon. friend has a background, I think, as an auditor and I am quite sure he would never indicate to a businessman client that he would be able to deduct travelling expenses abroad unless he could relate those expenses very directly to the matter of earning profits or income in that business.

Mr. Monteith: Quite right, but would not attending conventions improve a doctor's or a lawyer's qualifications, and as a consequence make him better able to earn income, more income?

Mr. Cameron (Nanaimo): I should like to follow up what the hon. member for Kootenay West said just now about some of the workers in his constituency. In the lower coast areas of British Columbia there has been a development in recent years in the logging industry whereby some of the major corporations are now abandoning residential camps. This has resulted in most of the workers having to travel, in some instances up to 25 or 30 miles a day. In some cases the corporations for which they work provide transportation for which the corporations make a charge. In other instances the men have to provide their own transportation and bear the cost of running a car. It does seem to me they should be put on all fours with a businessman who makes deductions for necessary and legitimate expenses incurred in the course of earning his livelihood.

Mr. Nesbitt: I should like to add something to the remarks I have already made. I am rather surprised that neither the minister nor his parliamentary assistant has attempted to give some attention to the remarks that have been made by me and the hon. member for Perth as well as the hon. member for Hamilton West. Now, it is a matter of allowing scientists, engineers and doctors to go to conventions in other parts of the world, be it the western world or even behind the iron curtain, to acquire certain knowledge. This goes beyond the matter of earning income because presently it is a matter of acute national importance to every country in the western world that scientific knowledge be allowed to spread. I should like to hear what the minister or the parliamentary assistant has to say about removing the two words "in Canada" in this paragraph, even if it is only in so far as scientists, engineers or doctors are concerned.

Mr. Hamilton (York West): Before the parliamentary assistant answers, I do not want to adopt the attitude of the hon. member for Winnipeg North Centre, that if I cannot have it nobody else should have it. In this case I should like to make a special plea for the medical profession. I think that in my profession we can probably get along without attending the bar convention in Washington or London and still make a very good living. On the other hand, I do not believe the medical profession recognizes any international boundary. The work they are

doing will certainly be improved if they are allowed free communication from one end of this world to the other.

I do have a great number of friends in that profession and they tell me that some of the most important conventions they have—perhaps the Minister of National Revenue, who is looking at me, can confirm this—take place in various parts of the world. It would certainly improve the practice of their profession if they were able to attend these conventions and gain the knowledge which is being produced in other parts of the world. I should like, therefore, to make a special plea on behalf of that profession. If the parliamentary assistant is at all inclined to make any type of revision in this piece of legislation before it is brought into the house I certainly believe some thought should be given to the position of the medical profession so that expenses of attending conventions in various parts of the world may be deductible. I say to him it is easy to ask for reasonable proof of the attendance at these conventions, whether they be in Canada or outside, under the practice we have at the present time. I am sure the department could ensure that if anyone is asking for a deduction of that kind he actually did attend such a meeting. If we are going to go forward in the practice of medicine, then I think we should make every effort to assist these people to improve their own position in the country.

Mr. McCann: I am glad to hear a champion of the medical profession, although I cannot agree with him. I may say that it is exemptions that are the curse of the national revenue department on its administrative side. It was because of abuse by the members of some professions that it was necessary to put in a law restricting the deductible expenses to those connected with attendance at conventions in Canada.

Now, the very case that brought this about concerned a man of my own profession. In order to give himself and his wife a holiday, he took a trip to Europe. It is true that when he was there he did attend a meeting of the profession and he called that a convention. The department found it necessary to disallow these expenses and he appealed to the income tax appeal board. The income tax appeal board threw out the case and commented to the effect that they thought all these exemptions were irregular. It is on that account that this section is put in, to regularize what had been the practice for a number of years and which we regarded as within the law. By this section this will become regular and professional groups may claim as an offset to their income the cost of attending two conventions a year in our own country.

I can well understand that it might work hardship on some people in any of the professions. For instance, a man is practising down in the Niagara peninsula. There may be a convention in Buffalo. Costs are not very high, but just the same under the law—the law has to be regular—he cannot claim a deduction there but he can claim a deduction for attending a convention in the city of Vancouver or in Montreal. Therefore, I state again that it is all these exemptions that make so much difficulty in the transaction of business. I say, furthermore, that professional men who can go to Europe and attend a convention are probably men who are making big fees, and they can well afford to pay their own expenses rather than have you and me and the other taxpayers pay, because that is what we are doing. We want to collect X dollars in a year, and if we are collecting them from 4 million people they will work out at a figure, but if we are giving all kinds of exemptions to certain taxpayers, then the same number of taxpayers have to make up that amount and that is one of the reasons why taxes in Canada are as high as they are. If there were no exemptions and if there were a uniform rate the tax rate in Canada would be lower.

Mr. Harkness: The minister has provoked a lot of discussion there.

Mr. Barnett: Mr. Chairman, I was very interested in the remarks just made by the Minister of National Revenue and in his reference to an appeal before the income tax appeal board. I have a reference to such a case that I intend to bring out in a moment or two. At the outset I should like to make it clear, however, that I wish to support the remarks made a few minutes ago by the hon. member for Winnipeg North Centre with respect to a question that is brought forward by this resolution. My position, like his, is that in the circumstances the proposal here advanced is not expedient, as the resolution suggests, as long as it is going to be a narrow class piece of exemption. It is going to leave out of its provisions a vast majority of the people of Canada. I might perhaps remind you, Mr. Chairman, and through you the minister, that this very point is not a new one for me to rise on. During the last few sessions I know that I have participated in several discussions along the same lines. While the resolution does say, among other things, that it is expedient to do this, there has been no indication on the part of the government that among those other things there is going to be the removal of certain

other very discriminatory sections in the application of exemptions in our income tax law. I could very easily go along with the position taken by the Minister of National Revenue in so far as one can agree that what is sauce for the goose should be sauce for the gander. But nevertheless the fact remains that the government of which he is a member is bringing in this restrictive form of exemption in regard to conventions, and that the same situation in respect of people whose incomes are earned through wages and salaries is going to apply in this case as applies in certain other examples, one of which was mentioned by my colleagues, the hon. member for Kootenay West and the hon. member for Nanaimo in regard to the deduction of expenses of workers.

I have in my hand a copy of the judgment contained in tax appeal board cases, volume 10, 1954. It is the case of John Leonard McLeavy *v.* the Minister of National Revenue, which was heard before W. S. Fisher, Q.C., on February 19, 1954. This document states that:

> The appellant, an aircraft maintenance engineer, . . . was required by the terms of his employment to supply his own small tools.

He claimed a deduction under section 11 (10) (c) of the 1948 Income Tax Act. The minister disallowed the deduction on the ground that the appellant's income was from salary and as such could not be reduced by any deductions other than those specified in section 5. The finding makes it clear that the judge was quite sympathetic to the position in which this aircraft maintenance engineer found himself because at one point he does say:

> Indeed it would appear that the appellant's claim was a reasonable one in the circumstances.

He goes on to make it clear that the only reason he is disallowing the appeal is that of the existing terms of the Income Tax Act. As he points out in the finding:

> The appellant's income is obtained as an employee and his salary, as such, comes within the provisions of section 5 of the 1948 Income Tax Act under which income from an employment may not be reduced by any deductions other than those specifically provided for in the said act. There is no provision in the act, so far as I can discover, under which the appellant, as an employee, could obtain a deduction in respect of depreciation on the small tools owned by him.

Now, Mr. Chairman, under the proposal which the government is here advancing in this resolution the discriminatory features of the Income Tax Act are going to be extended that much farther. I would suggest that unless the minister is prepared to indicate that he will bring in some modification of the act to remove this discrimination against people whose incomes are from wages or salaries so that such people can claim expenses incurred in the matter of earning a livelihood on the same basis as professional people, then I suggest this resolution is not one which should receive the support of this committee.

I know that this is a matter about which there is widespread and growing concern among the organized workers of Canada. I know from my own knowledge of the organized workers of British Columbia that they are becoming increasingly concerned over this discrimination. The particular case to which I have made reference arose I believe from a worker who was employed in the city of Saskatoon. I would suggest to the minister that if he is going to bring in recommendations such as this, allowing deductions of expenses for such things as conventions, he should give serious consideration to a suitable amendment to the act which will put the wage and salary earners of Canada on the same footing as professional or other people as far as deductions of the same type of expenses are concerned.

Mr. Macdonnell: Mr. Chairman, the stony countenances of the minister and his parliamentary assistant do not give much encouragement to making requests. I have, however, a very small request to make and I might say I hope I am supported by the Minister of National Revenue. I do want to raise one question about terminology. I have heard nothing said by the minister or his assistant to indicate that the word "business" was to have any unusual connotation. I am assuming that it does not, nor is it intended to include "professional". Now, if I am right in that, then I think it certainly does raise a very serious question. I would think, for example, it is much more important for a doctor to be able to attend a convention than for an ordinary businessman. Quite frankly I am not greatly impressed with the need for an ordinary businessman to attend a convention, but for a doctor who is engaged in a scientific profession I can greatly appreciate the need for his attending. I therefore suggest that we must be clear as to what this word "business" means.

Mr. Benidickson: Mr. Chairman, could I explain to my hon. friend? The interpretation section of the Income Tax Act and in particular section 139 (1) (e) defines "business" and says it includes a profession, calling, trade, manufacture or undertaking of any kind whatsoever, and so on. It is spelled out in the interpretation section.

Mr. Rowe: What about a farmer?

Mr. Benidickson: It is there.

Mr. Macdonnell: Then I come to my second point. I suggest that the minister might look

at the words "in Canada". I suggest it might be extended to include Canada or the United States for the reason that it should not necessarily mean any greater expense and it might have a tremendous balance of convenience. Take for example a doctor living in Vancouver with an important scientific convention he wishes to attend being held, let us say, in Seattle and another one being held the same year in Montreal. Obviously there is a balance of convenience that he should be able to go to the one in Seattle, and therefore I do suggest that the words "in Canada" might be extended to read "in Canada and the United States". It should not cost any more, and to me it would be facing much more realistically the facts of the situation.

Mr. Knowles: Mr. Chairman, it seems to me that the parliamentary assistant, if I understand the matter correctly, should have said a little more when he was saying that a business by the interpretation of the act included a professional person. Does it not also depend on whether that person is in the self-employed group or on wages or salary?

If I understand it correctly a doctor who is a self-employed person, who collects fees from his patients and pays out office rent and secretarial help and so on will be able to deduct the money he spends out of his pocket to go to a convention. On the other hand a medical doctor on the staff of one of our great institutions who is on salary from that institution would not be entitled to deduct the money he might pay out of his pocket to go to an important medical convention.

Mr. McCann: It is often paid by his employer or should be included in his salary.

Mrs. Fairclough: No.

Mr. Knowles: I recognize that that happens in some instances but my point still holds that if he were to pay his expenses out of his own pocket he would not be able to deduct them from his own taxable income and the Minister of National Revenue is saying yes to that which means that it is not a sufficient answer just to say that a business includes a profession. The real distinction is not whether you call yourself a business person or a professional person. The real distinction is the nature of your income, whether it is from self-employment or whether you are on salary or wages.

In that connection, Mr. Chairman, it seems to me that here within the group which it is supposed is getting this deductibility there is an element of discrimination. I am not concerned about the charge the hon. member for York West made against me when I complained that some were not getting this and others were. After all, that is the argument we are always making when we ask for equity in tax matters. But even within the group of doctors themselves the fact is there are some doctors, those who are self-employed, who are getting this deductibility and there are other doctors on the staffs of our great institutions—as a matter of fact, I have some doctors and some institutions in mind—who gain just as much medically and professionally and for the good of the country by going to these conventions but will not get this deductibility. In my view those hon. members, who tonight have said that this matter has not been thought through sufficiently by those who have presented it to us have been quite correct.

Mrs. Fairclough: Mr. Chairman, I have to support the remarks made by the hon. member for Winnipeg North Centre. I think anyone who has ever been involved in municipal affairs realizes that very often because it involves the expenditure of public funds municipalities do not pay the expenses of their professional people who attend conventions where the professional person acquires considerable knowledge and from where he brings back to his job the advantage of the knowledge acquired.

That is not the reason I have risen at this time. I would like to ask the minister a question. I was somewhat intrigued by the case put forward by the Minister of National Revenue with respect to who should and who should not be permitted to deduct expenses for attending conventions, and from long years of experience in attending conventions, mostly at my own expense, I do know that there is a vast difference between the representation at those conventions by individuals and the attendance by employees of large corporations.

What I want to ask the Minister of Finance is this. Does the word "taxpayer" mean corporation? If that is true, when the minister interprets this clause and says that expenses shall be allowed for not more than two conventions, does he mean for one person to attend two conventions or does he mean that a corporation may send up to 25 people to a convention and still deduct the expenses of plush suites and liquor and all the things that go toward entertaining clients—

Mr. Knowles: Ellen, where have you been?

Mr. Rowe: Speak for yourself!

Mrs. Fairclough: —at these conventions.

Mr. Rowe: C.C.F. conventions!

Mrs. Fairclough: As a person who has suffered considerably on my own account and

on account of clients by having had tax returns revised by reason of conventions and other things, I might say that it has always irked me somewhat to have my clients penalized if they happened to be proprietors or professional people operating on their own account and to know full well that large corporations were deducting precisely the same expenses manifold and getting away with it all the way down the line. As a matter of fact, under the act it is quite all right—

Mr. Knowles: It is all behind the veil of secrecy, too.

Mrs. Fairclough: I do not think it is necessarily behind the veil of secrecy.

The Deputy Chairman: I am sorry to interrupt the hon. member but it is ten o'clock. Shall I report progress and ask leave to sit again?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, tomorrow we shall continue with the income tax resolution, the customs tariff resolution and the bill in committee of the whole with respect to the branch line of the Canadian National Railways.

Mr. Macdonnell: May I ask the minister when he expects to take the excise tax resolution?

Mr. Harris: After we have made more progress than we have tonight, sir.

Mr. Knowles: That is a cheerless note on which to end.

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

Question

ANSWER TO QUESTION

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

CIVIL AND ARMED SERVICES—SCHOOL TEACHERS

Question No. 426—**Mr. Dinsdale:**

1. How many former school teachers are serving in the dominion civil service?
2. How many from each province?
3. How many former school teachers are serving in Canadian armed forces?

Answer by: **Hon. Roch Pinard (Secretary of State):**

1. Information as to the number of former school teachers now employed in the civil service is not available from the records of the civil service commission.
2. Answered by No. 1.
3. 770.

HOUSE OF COMMONS

Wednesday, May 9, 1956

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

SIMILARITY OF GOVERNMENT NOTICE OF MOTION IN "VOTES AND PROCEEDINGS" TO RESOLUTION ON ORDER PAPER

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, on a question of privilege, I wish to point out that in *Votes and Proceedings* for today there is a notice of motion standing in the name of the Minister of Trade and Commerce returnable on Thursday next which in its main purpose has precisely the same purpose as a motion already before the house standing as order No. 13, which motion is already in the possession of the house and has been debated. As Your Honour will see, the first part of the motion, dealing with the main substance of the motion that is already before the house, is precisely the same except for minor verbal variations as the opening part of the notice now in *Votes and Proceedings.*

I submit, Mr. Speaker, that an order cannot be placed on the order paper in this way in substitution for an order already there, nor can there be duplicating motions by the government in regard to the same subject. I submit that this is not in any way affected by the fact that there is additional material in the notice now before us. The effect of that would simply be to provide for an amendment of the motion already being debated by the house. I think it is clear that an amendment may not be made in this way. I think it is very clear that as far as proceedings are concerned nothing can be done by indirection which cannot be done directly. I think there is no question about the fact that this procedure would be ineffective, and I therefore submit to Your Honour that the notice now appearing in *Votes and Proceedings* should not proceed to the order paper tomorrow.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: Before the hon. member for Winnipeg North Centre (Mr. Knowles) speaks, may I ask the Leader of the Opposition (Mr. Drew) if he has any authorities to cite which might be applicable to his point?

Mr. Drew: Yes, Mr. Speaker. The effect of this is perfectly clear. Beauchesne's third edition at page 138, rule 351, with the quotations which it gives, simply states this:

> No member may amend his own motion, but with leave of the house he may withdraw it and substitute another.

That is a statement which I submit is directly in point on the question at issue here. Then at page 854 of Beauchesne's third edition there is the reference to Bourinot which was made in connection with an issue that came before the house on March 26, 1928, when, in the discussion, the words were quoted which I would quote here:

> "A motion on the order paper must be in accordance with the notice of the votes; and, should a member desire to substitute another, or alter its terms, he must first obtain the leave of the house."

Mr. Fulton: In addition, may I refer Your Honour to Beauchesne's second edition, citation 387.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I support those who have already asked Your Honour to rule as to whether or not the notice of motion filed by the Minister of Trade and Commerce (Mr. Howe) should be permitted to reach the order paper. I might point out, first of all, that Your Honour is required to deal with a matter of this kind under the terms of standing order 50 which reads as follows:

> 50. Whenever Mr. Speaker is of opinion that a motion offered to the house is contrary to the rules and privileges of parliament, he shall apprise the house thereof immediately, before putting the question thereon, and quote the standing order or authority applicable to the case.

I would draw Your Honour's attention to certain citations in addition to those that have been referred to by the Leader of the Opposition and the hon. member for Kamloops (Mr. Fulton). In particular I would ask you to look at citation 325 in Beauchesne's third edition which reads as follows:

> A motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided . . .

I would draw Your Honour's attention to the fact that this house has, by a decision of the house, already referred to the committee of the whole a resolution dealing with the Northern Ontario Pipe Line Crown Corporation. In other words, the house will be asked—if the present notice of motion reaches the order paper tomorrow—to take another decision similar to one that has already been taken. That is the point which the Leader of

the Opposition made. I am merely buttressing it by reference to citation 325.

I also remind Your Honour that on Monday of this week one of the reasons that Your Honour gave for denying the motion for adjournment under standing order 26 which my leader moved on that occasion was that it anticipated a subject in connection with which a resolution was already on the order paper and which the house had already appointed for debate.

I would also remind Your Honour that on other occasions in this session and in other sessions you, sir, have produced an abundance of citations and authorities to indicate that there cannot be two debates on the same subject before the house at the same time. There is already before the house a debate on a resolution with regard to the Northern Ontario Pipe Line Crown Corporation. Now we have proposed for the order paper another resolution which is in part the very same as the one that is already before us.

Mr. Speaker, this is not a new issue to arise in parliament. There have been previous occasions when the government, after placing a notice of motion preceding a money bill on the order paper, has found it desirable to make a change in the terms of that motion. I have not had time since I received my copy of *Votes and Proceedings* only a short while ago to do all the homework I should like to do, but I have found at least one such case. It occurred in 1945. Your Honour is smiling and I think that means you have been doing your homework, too. On that occasion—I notice Your Honour now shakes his head. On that occasion Mr. Ilsley, who was then minister of finance, had introduced a resolution forecasting a bill to amend the National Housing Act. The resolution was ordered referred to the committee of the whole house on October 9, 1945.

Later, it was decided by the government that the terms of the resolution, and accordingly the terms of the bill to be based thereon, should be extended. The government did not do on that occasion what I contend it is improperly trying to do now, put on another resolution saying the same thing as the first one but adding some words. Rather Mr. Ilsley, who is now a learned justice of one of the superior courts of this country, introduced another notice of motion which was to the effect that the resolution of October 9, 1945, be amended by adding thereto certain additional words. Subsequently this resolution was referred to the committee of the whole house. It was passed by the committee of the whole house as had been the previous resolution and accordingly a bill based upon the composite resolution was introduced.

It is in my mind that there have been other such occasions. I believe Mr. Ilsley was the mover of another bill in which the same procedure was followed. It is also in my mind that there have been bills dealing with veterans legislation where changes have been decided upon after the legislation was before the house; in some instances perhaps as a result of a recommendation of a special committee on veterans affairs, and as a result of that decision to change the bill a subsequent amending resolution has been presented to the house. I confess that with regard to these instances I am relying on my memory, not yet having had time to locate them in the records, but I think the records will confirm my memory.

Mr. Brooks: Your memory is correct.

Mr. Knowles: The hon. member for Royal is confirming my memory. The point is that in the past the government has, whether on its own initiative or because of debate in the house, before extending the terms of a resolution already presented to the house, followed the proper procedure of introducing an amending resolution amending that which was already on the order paper.

I submit, Mr. Speaker, that that is the proper procedure and accordingly it is my contention, along with that of the Leader of the Opposition (Mr. Drew) and the hon. member for Kamloops (Mr. Fulton), that the present procedure is highly improper. Frankly, I do not see how Your Honour could contemplate allowing debate on a resolution such as that which is now on *Votes and Proceedings* but not yet on the order paper, in the light of the fact that the house is already engaged in a debate on the previous resolution on the same subject. Your Honour has drawn on the rule about repetition frequently in this session and the last session, and has had occasion to give us a number of authorities and citations on this point. Accordingly, Mr. Speaker, it seems to me that you should rule that the notice of motion which appears in the *Votes and Proceedings* of Tuesday, May 8, in the name of the Minister of Trade and Commerce, is out of order so long as the other resolution is on the order paper. Therefore, this second resolution should not be permitted to reach the order paper.

Mr. Speaker: I take it that all hon. members are satisfied that the point of order has been well stated.

Some hon. Members: No.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I do not wish at this stage to intervene because the point has been clearly stated both in the arguments that have been advanced and in the citations to which you have been referred; but there is an aspect of the situation having to do with the fact that the matter is now in *Votes and Proceedings* rather than on the order paper. If that matter has any bearing with Your Honour I would want to be heard on it. I do not want to intervene at this stage because it is perhaps not a point which Your Honour will think material. Therefore, I should like, if I may, to reserve the right to argue further until Your Honour indicates whether you think the point is material or not.

Mr. Speaker: The hon. member for Winnipeg North Centre has indicated that he did not have time to do all of the homework that he would have liked to have done on this matter, and the hon. member for Kamloops has just indicated that he is reserving his rights to speak further on another point which perhaps may be raised in this discussion. I say that no hon. member will be prejudiced if we wait until tomorrow when the resolution appears on the order paper. At that time we can have the point finally disposed of. I would imagine that that would be the best procedure because I feel sure that whatever is my judgment today—perhaps I should not say "I feel sure"—but I suspect there might be more arguments to be heard on the same point tomorrow.

Mr. Fulton: If I may, then, my contention is that the resolution should not be allowed to appear on the order paper but in fact should be removed from *Votes and Proceedings*. If we have to accept the suggestion just made, the available result would be this notice of motion would appear on the order paper where I maintain it should not appear under present circumstances. Therefore, perhaps I may be permitted to say—

Mr. Byrne: How do we know what it is until we see it?

Mr. Fulton: Did I hear one of the hon. members from the Kootenays, the hon. member for Kootenay East, say, "How do we know what it is until we see it?"

Mr. Byrne: Yes.

Mr. Fulton: The hon. member should perhaps acquaint himself with the facilities which are available to hon. members to find out what is in *Votes and Proceedings*.

Mr. Argue: I thought he saw it yesterday morning.

Mr. Speaker: Order. I am listening to the hon. member.

Mr. Fulton: I am glad to know that, Your Honour. I hope you can hear me above some of the rather inane remarks that have been made.

Mr. Speaker: I always hear the hon. member with great pleasure.

Mr. Fulton: It then is apparent that Your Honour has read *Votes and Proceedings*, which is more than the hon. member for Kootenay East has done.

The question of whether this matter should be allowed to stand over until tomorrow, or whether it should be removed now from *Votes and Proceedings* is dealt with in a statement that appears in Bourinot's fourth edition on which much of the many citations in Beauchesne's second and third editions to which you have been referred is based. At pages 312 and 313 of Bourinot it is clearly stated that it is the responsibility of the Clerk and the Speaker to satisfy themselves as to the propriety of a notice of motion which is submitted to appear on the order paper. If Your Honour is satisfied that it is not in order then Your Honour returns it to the member submitting it in order that it may be amended or, I would suggest, in order that other steps necessary be taken before it can appear on the order paper.

At pages 312 and 313 Bourinot, where he is discussing the procedure to be followed in dealing with questions submitted to appear on the order paper, and which he makes applicable to notices of motion, says as follows:

> The questions are first handed in to the Clerk or assistant clerk of the house and are then printed among the proceedings and appear in due time on the order paper under rule 25.

And then continuing on page 313, he says:

> The Canadian practice is identical with that of the English Commons—

—and so on. He continues:

> It is the duty of the Clerk to point out any irregularity to the Speaker as in the case of notices of motion and if the latter is of the same opinion he will order the Clerk to communicate with the member, so that he may have an opportunity of amending his notice.

That part of the procedure there being discussed is clearly made applicable to notices of motions and I will merely assure Your Honour and the hon. member for Kootenay East (Mr. Byrne) that the resolution of the Minister of Trade and Commerce (Mr. Howe) appears in *Votes and Proceedings* under the

heading, "Notices of Motions and Questions" so that the issue is indeed properly before Your Honour.

While I appreciate that it is not a point which comes up very frequently and no one is trying to press Your Honour unduly, I submit it is essential that it be dealt with today. Perhaps Your Honour may care to reserve your opinion for a while, although I think the authorities speak so clearly that that is not necessary, and I do submit that whatever may be the time at which you give your decision it should be given today, because in our submission this notice should not be allowed to stand on *Votes and Proceedings* and should not be allowed to appear on the order paper tomorrow.

For the benefit of other hon. members I would just like to read the citation in Beauchesne's second edition to which I referred, citation No. 387 at page 125, which reads as follows:

> A motion must not anticipate a matter already appointed for consideration by the house, such as the subject matter of a bill on the order paper.

And it applies equally clearly to the subject matter of a resolution or motion already on the order paper.

Mr. Daniel McIvor (Fort William): Mr. Speaker, on a point of order, I think there is one thing that should be proved. Is government action on the pipe line west of Winnipeg the same thing as the government co-operating with the province of Ontario to build the line from Winnipeg east? It has to be proven that these things are the same, which to my way of thinking requires an outstanding stretch of imagination.

Mr. Knowles: Mr. Speaker, may I just say a word on the point raised by the hon. member for Fort William (Mr. McIvor). I submit that the matter now before us is on all fours with the instance in 1945 to which I have already referred. On that occasion what was before the house was a bill respecting the National Housing Act and the subsequent decision of the government was to provide more powers under the legislation than had been initially decided upon. In this instance what is proposed by the government is the setting up of a Northern Ontario Pipe Line Crown Corporation. Both resolutions deal with that main purpose. The second resolution merely adds to the powers that the government would confer upon that corporation under the first resolution. I submit that it should be treated in the same manner as was done in 1945.

However, Mr. Speaker, the reason I rose again was to suggest this to Your Honour.

Unlike most points of order that are raised I am not sure that this is one that has to be decided at this very moment. It seems to me that the time when Your Honour must decide whether this proposed notice of motion is to go on the order paper is just before the Clerk sends out the copy for the printing of tomorrow's order paper. In other words, Your Honour has several hours in which to make that decision, and although for my part I do not think it should reach the order paper I am prepared to wait until tomorrow's order paper appears to ascertain what decision you have made. However, in expressing my willingness to let Your Honour make the decision later, I wish to give notice that if this resolution does appear on tomorrow's order paper as a government notice of motion, I will then raise the point of order that—

An hon. Member: You have raised it already.

Mr. Knowles: I now give the house notice that a point of order will be raised against your putting the question for the house to decide that the resolution should be considered at the next or any future sitting of the house.

Mr. Fleming: Mr. Speaker—

Mr. Speaker: Would the hon. member permit me to speak and I will give the floor to the hon. member afterwards. I should like to ask the hon. member for Winnipeg North Centre if he has considered that at this session we have had a government bill on the order paper having to do with equal pay for equal work for women. There were two bills on the same subject. There were also two bills dealing with small loans, one by the hon. member for Assiniboia (Mr. Argue) and one by the government. I should like to hear his comment on those two instances where there have been two bills in each case that were similar.

Mr. Knowles: The member for Winnipeg North Centre seldom declines an invitation to say a few words on procedure. I have given thought to the point which Your Honour has raised and I suggest that there are certain very real differences. In the case of the bill sponsored by the hon. member for Hamilton West (Mrs. Fairclough) with regard to equal pay for equal work for women and in the case of the bill sponsored by the hon. member for Assiniboia (Mr. Argue) regarding small loans companies, those private bills were placed on the order paper in advance of the notices of the government bills.

It might be argued that those bills blocked the government legislation, but the answer

to that argument is that the rule books contain a provision which is known as the rule of anticipation. This rule establishes an order of priority and provides that certain legislation shall have priority over other kinds of legislation. Government bills are listed as being higher in priority than private members' bills. It is provided in the authorities for a government bill to be placed on the order paper and have priority over a private member's bill dealing with the same matter. That is precisely what has happened. I think it has been pretty well understood that since the government legislation regarding these two subjects appeared on the order paper Your Honour would not permit further debate on the private members' bills. They are now blocked by the higher priority of the government legislation.

But there is nothing anywhere in the rule books that says that there is any difference in priority between one government measure and another. I suggest that the government cannot come along and claim that its second thought has priority over its first thought and that therefore it takes precedence over the resolution already there. It seems to me that the situations are quite different. In this case the government should fall back on the procedure used in the instance to which I referred when Mr. Ilsley had the national housing bill before us and in the other instances which I hope I will be able to give if this matter comes up tomorrow.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, it is quite obvious that if you permit the notice of motion to proceed to the order paper and to appear on tomorrow's order paper that will not dispose finally of the matter because, as you have been told, a point of order will be raised tomorrow with respect to the contents of the order paper. But that fact of itself does not dispose of the point that has been raised here today. In this respect I wish particularly to speak in support of the point raised by the hon. member for Kamloops (Mr. Fulton).

I have always understood that, in an obvious case, that is to say where a notice of motion obviously offends the rules, it is the responsibility, in the first instance, of the Clerk of the house, and in the final instance of the Speaker of the house, to decide whether such a motion obviously out of order should be permitted to be printed, first of all in *Votes and Proceedings* as a notice of motion and then on the order paper of the house for the following day. My understanding is that in an obvious case that responsibility rests upon the Clerk as an officer of the house in the first instance and then on the Speaker. In my submission to you, Mr. Speaker, this is such an obvious case and for that reason it does require a decision today.

As was said by the hon. member for Winnipeg North Centre, it may be that you do not have to decide the point on the spur of the moment but in my respectful submission a decision must be made by you, Mr. Speaker, today before the contents of tomorrow's order paper go to the printer to be printed.

I wish to enlarge on the point and the reasons why I submit to you that this notice of motion appearing in *Votes and Proceedings* for Tuesday, May 8, is one of those cases of a notice of motion obviously out of order, so obviously out of order as to call on your part for a direction that it shall not be printed at the expense of the taxpayers of this country in breach of the rules of the house.

Some hon. Members: Oh, oh.

Mr. Fleming: The similarity of the notice of motion to one already on the order paper is perfectly apparent to all who will look at it. I am not saying it would be apparent to those members opposite who obviously have not read it but it is perfectly obvious to any hon. member who will take the trouble to read it.

Let me draw your attention to this fact. The resolution already on the order paper, which has already been debated one full day and stands by order of the house for further debate on a later day, has three paragraphs to it. If you will compare the three paragraphs word for word with the contents of the notice of motion appearing in yesterday's *Votes and Proceedings* you will find everything there repeated in the new notice of motion. For instance, the first paragraph of the notice of motion, No. 13 on the order paper, and standing since March 15, has to do in the first instance with the introduction of a measure to provide for the constitution of a corporation. That first paragraph in the notice of motion of March 15 is reproduced in full in the first paragraph of the notice of motion that appears in yesterday's *Votes and Proceedings.*

There are two other paragraphs in the notice of motion of March 15. The second one has to do with empowering the corporation to do things that are conducive to the attainment of the objects set forth in the first paragraph and goes on to provide that the corporation may borrow money to an aggregate amount not exceeding $130 million. You will have already observed, Mr. Speaker, that the new notice of motion has five paragraphs to it and that the contents of the second paragraph of the old notice of motion

are reproduced in the fourth paragraph of the new notice of motion. There is one clause in the third paragraph of the new notice of motion which takes care of the only difference, in that provision is also made that the corporation may do such things as are conducive to the attainment of the foregoing purposes.

Then, sir, as to the third paragraph in the notice of motion of March 15, you will find that reproduced verbatim in the fifth paragraph of the notice of motion in yesterday's *Votes and Proceedings*. Therefore, Mr. Speaker, it is perfectly apparent that there is not only such similarity between the two notices of motion as to be perfectly obvious but there has been reproduced in the notice of motion of yesterday the entire notice of motion of March 15 and all that has been done by the government is to add two paragraphs which appear as the second and third paragraphs of the new notice of motion by which additional provisions are sought to be made in relation to the same measure.

If we are to permit the defeat of the rule of the house embodied in citation 387 of Beauchesne, second edition, which expressly prohibits the anticipation of something that is already on the order paper by something new introduced, then, sir, all that one has to do to achieve that defeat of a well established rule of the house is simply to add a couple of new things or, for that matter, one new thing, to something that is already on the order paper, something that is not only on the order paper but has already been debated by the House of Commons and ordered to stand for further discussion at a later date. That is all that needs to be done. Just add something else and then you escape the rule with regard to anticipation.

Surely, Mr. Speaker, the plain rules and well established procedures of the house are not to be defeated in a manner of that kind. It just means that it would be the simplest thing in all the world from this point on to add something to anything that is on the order paper, bring it in in that way and, if you please, put it ahead of something that is already on the order paper. Yesterday the Minister of Finance as leader of the house, in answer to a question I put to him, made it quite clear that it is the intention of the government to take this new notice of motion in priority to the resolution standing on the order paper as order No. 13. So that you have the plainest kind of attempted anticipation, taking something new ahead of something already on the order paper and in this case consisting of precisely the same resolution with the addition of two new paragraphs.

[Mr. Fleming.]

In such a case it seems to me, Mr. Speaker, if I may respectfully say so, that it is the duty of the Speaker of the house to dispose of this question today in view of the fact that the notice of motion appearing in yesterday's *Votes and Proceedings* is so obviously out of order as being an attempt at anticipation in relation to the notice of motion of March 15 that it is your duty to rule today that that notice of motion shall not be printed in tomorrow's order paper.

Mr. Speaker: May I say first of all that all hon. members who have stated the point have been very helpful in citing authorities and dealing with the point quite fully. There have been several points raised. There is one, however, that I should like to see disposed of immediately. In discussing the point of order some hon. members have emphasized that their view as to why this procedure is out of order is the most obvious one. It is so obvious to them that they do not see anything else but their own view as being the obvious one. Then they go on further to say that it is the duty of the Clerk and the duty of the Speaker to decide in a certain way, as if both the Clerk and the Speaker would not be doing their duty otherwise.

I want to say immediately that I have been associated with the Clerk of the house for over seven years, as Speaker for the last three years and as Deputy Speaker and deputy chairman of committees for four years prior to 1953. In my view no one knows his duty better than the Clerk of the House of Commons. Whatever he does in his capacity as adviser to the Speaker it is not his responsibility. It is that of the Speaker and I fully accept whatever responsibility is mine.

I want to say that whenever a notice of motion goes to the order paper it is dealt with by the clerk of orders and notices, who is a different person from the Clerk of the House of Commons. The clerk of orders and notices has been a member of the staff of the house for over 30 years, has had a great deal of experience and takes a look at these motions before he puts them on the order paper. If he has any doubts he may refer to the assistant clerks, of whom there are two, or to the Clerk himself. If the Clerk has no doubt whatever these motions never come before me but if he has any doubt he may put them before me.

By quoting pages 312 and 313 of Bourinot's fourth edition the hon. member for Kamloops (Mr. Fulton) indicated that the officials of the house have certain duties with respect to the preparation of the order paper. There is no doubt about that fact. That is what they are there for. But someone must take the responsibility and that someone is the one who

is occupying the chair. I say again that I take full responsibility for whatever has taken place. Let us have that point clear and let us keep the officials of the house outside the argument.

Now that we are all in agreement on that particular matter, I should like to go one step further. Hon. members have objected to the notice of motion which is now on the notice paper and which normally should appear on the order paper tomorrow as a government notice of motion. They have objected to it on the ground that it anticipated a notice of motion which has already been taken up by the house and been considered in committee of the whole. I should like to inform hon. members that according to Campion at page 176, we find this. Campion deals with the rule that the same question may not be twice offered in the same session and I should like to quote this portion:

> The important points in connection with this rule are:
>
> (1) Judgment must have been expressed. Consequently a motion which has been withdrawn, or has not been seconded, or has been superseded, may be repeated.
>
> (2) The rule does not apply as between the various stages of bills. The different stages are intended as so many opportunities of reconsideration. Hence decisions taken in committee may be reversed upon the report stage, and these again on consideration of Lords' amendments.

At page 202 Campion deals with bills that have to be introduced with preliminaries, namely the resolution preceding a money bill. Under the heading "Bills brought in on an order of the house", he says this:

> This is the old procedure, which has been practically superseded except in the case of money bills and bills introduced under S.O. No. 12.

That is standing order No. 12 in the United Kingdom.

> Bills introduced on an order may be preceded by certain preliminary business.

Then he deals with preliminaries.

> With Preliminaries.
>
> (a) A certain class of bills, whose main object is the expenditure of money or the imposition of taxation, generally called 'money' bills, are still required to be preceded by resolutions passed in committee of the whole house and agreed to by the house on report. In this case the bill is ordered to be brought in immediately after the resolutions are agreed to.

The resolution preceding a money bill is nothing but the order for leave to introduce a bill which entails the expenditure of money. In my view it is part of the bill. A money bill has various stages and the preliminary stage, which is the resolution, is part of the set-up in the bringing in of a bill. When a bill is introduced without a resolution I ask the house the question "Has the hon. gentleman leave to introduce this bill?" The house having acceded to that suggestion then the *Votes and Proceedings* read "Ordered that the bill be introduced". Then I ask for first reading. When a money bill is introduced, it must be preceded by a resolution and once the resolution is concurred in by the house, the order is for leave to introduce the money bill. That is the position.

What is the position at the moment in this instance? A resolution is on the order paper and the order is "House again in committee of the whole on a certain proposed resolution". I stress the word "proposed" because I submit to hon. members this consideration: When does a resolution become a resolution? After it has come out of the committee of the whole. As long as it is in committee of the whole and until it is reported it is only a proposed resolution. As a matter of fact, as hon. members know, a motion preceding a money bill may be amended in committee and it is not even reported with amendments when it is reported. A resolution may be amended in committee of the whole provided the terms of reference of the royal recommendation may allow the amendment in committee. Otherwise a new royal recommendation is necessary. In this case we have on the order paper "House again in committee of the whole on a certain proposed resolution" which deals with certain matters. We now have on the notice paper a certain proposed resolution which deals with the same subject matter as does the proposed resolution which is in committee of the whole, plus other matters which require the royal recommendation because of the financial initiative of the crown.

If hon. members will bear with me, I would ask them to look at page 499 of May's fifteenth edition. There they will find this:

> There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions. But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions, and such a bill could not have been introduced on a motion for leave. But if a bill is withdrawn, after having made progress, another bill with the same objects may be proceeded with.

This is complemented by what appears in Bourinot at page 548 where Bourinot quotes a reference to the English authorities which is as follows:

> "Whilst a bill is still pending, and until it is completely disposed of, there is nothing whatever to prevent another bill for the same object being introduced."

The hon. member for Winnipeg North Centre (Mr. Knowles), when I asked him

what was his view of what I consider to be a somewhat parallel situation with respect to two other instances that happened during this present session,—that is in connection with a bill on small loans introduced by the hon. member for Assiniboia (Mr. Argue) and a bill on a similar matter introduced by the government and also a bill introduced by the hon. member for Hamilton West (Mrs. Fairclough) for equal pay for equal work for women and a government bill on the same subject—said there was an order of priority in dealing with the rule of anticipation and that the authorities stated that a government measure has priority over a private member's measure. At this moment I think that he and I will come to an agreement the minute I tell him that the priority which he gives to government bills arises out of certain standing orders to the effect that there are more government days than there are private members' days and that whenever government days are in progress the government, according to standing order 18—it used to be standing order 17—has complete initiative as to what order it will take up. But with respect to the point that the rule of anticipation has established a scale of values, may I say that the scale of values does not apply as between government bills and private members' bills. It applies as to the various stages along the way of a certain bill as against another which may not have advanced so far.

What was the page I quoted a moment ago about the rule of anticipation? I suppose that, while I am looking for this reference, it is for hon. members a pleasant interlude in which to think over what they have said and what I have said.

We will look at the scale of values which has been established by Campion at page 178. He says:

> The anticipation rule, which forbids discussion on a matter standing on the paper being forestalled, is dependent on the same principle as that which forbids the same question being twice raised in the same session. In applying the anticipation rule preference is given to the discussion which leads to the most effective result, and this has established a descending scale of values for discussions—bills, motions, amendments, etc. Thus a bill or other order of the day must not be anticipated by (or more shortly "blocks") discussion of a motion, amendment, or subject raised on another motion, such as that for the adjournment of the house.

While it applies between the various stages of a bill, there is no order of priority as between government bills and private members' bills. Now, before I go any farther I am prepared to give my ruling. I would hope that because of what I have said it would not appear to some hon. members as obvious as they thought it did that I should rule differently than I am about to rule. Would there be something else hon. members would like to say?

Some hon. Members: No, no.

Mr. Fleming: I do not propose to add to what I said in regard to the point of order, but I do wish most emphatically to say something by way of comment on your opening remarks which seemed to put an interpretation on remarks of mine which those remarks were never intended to bear.

You seemed to suggest that there was some criticism on my part of the Clerk of the house. Let me make it very clear to you, sir, that there was no criticism of the Clerk of the house. No hon. member of the house holds the Clerk of this house in higher esteem than I do, whether as an efficient, painstaking and conscientious officer of this house or as a gentleman whom I personally hold in the highest esteem.

With great respect, sir, I tell you that I am surprised that you should have said anything today that seemed to suggest that there was, in my remarks, any reflection upon the Clerk of the house because there was no reflection therein upon the Clerk of the house. There is no excuse on the part of anyone hearing or reading my remarks for drawing any such inference from them. I want to make that abundantly clear. What I said was this. I thought there was a responsibility that rests on the Clerk who, in the first instance, looks at these notices of motion. I said the ultimate responsibility rests on the Speaker of the house. As I understand the practice, and the proper practice, it is this. In these cases, if it appears to the Clerk of the house or that member of the staff who exercises that function under the general direction of the Clerk, in this case the clerk of orders and motions, that a particular notice of motion is out of order, then as I understand it he discharges his duty by drawing that fact to the attention of the Speaker. I understand that to be the rule and the practice. Then, the responsibility rests on the Speaker to decide in that case whether the notice of motion ought to be printed in *Votes and Proceedings* of the day.

That is as far as I went in regard to anything I said concerning the responsibility of the Clerk of the house. I regret very much that you should have put on my remarks an interpretation of which, with great respect, my remarks were incapable.

Mr. Speaker: Let me immediately deal with that point. I want to tell the hon. member for Eglinton (Mr. Fleming) that it was not my intention to put any interpretation on his remarks different from that

which he has acknowledged. I think he has at this moment given the exact relationship which exists between the Clerk and myself.

Mr. Fulton: I am glad indeed to hear you say that because I must confess I had myself wondered whether or not I should take up the matter which has been taken up by the hon. member for Eglinton, but that is probably not now necessary, except to say this. Any attempt anywhere to represent the point of order which has been raised, and our submissions upon it, as a reflection upon any of the officers of the house would, of course, be a most improper course. I relied upon the authority of the quotation I read from Bourinot, who himself was a prominent Clerk of this house, and which makes it quite clear as to where the ultimate responsibility lies. He said:

> It is the duty of the Clerk to point out any irregularity to the Speaker as in the case of notices of motion and if the latter is of the same opinion he will order the Clerk to communicate with the member,—

I have read that citation in full, and it makes it quite clear where the responsibility lies. I wish to make it quite clear, in addition to what the hon. member for Eglinton (Mr. Fleming) said, that it cannot be taken as a reflection upon any of the officers of the house or indeed upon anyone, when one quotes authorities with respect to the practice and procedures in this house. It seems to me it is difficult to see why, in this quotation or in raising the point, there may be implied any reflection upon anyone in this house.

May I deal with one or two points on the point of order which you have made. In the latter part of your remarks, as I understood them, you were arguing that it was quite in order to introduce another bill to supersede or take the place of a bill already on the order paper, and you relied upon some authorities to substantiate that proposition. You argued that by inference as I understood it, and I am endeavouring to appreciate your argument to the full and not misstate it, it was therefore quite regular to introduce an amendment to a resolution at this stage.

Mr. Speaker: When a resolution is in the committee of the whole stage, it does not become a resolution until it has been reported by the committee and concurred in by the house. As long as the terms of the resolution are in committee, they are the terms of a proposed resolution. They may be amended provided the amendment remains within the ambit of the royal recommendation. We had a case like this last session.

Mr. Fulton: I am glad to hear that restated because this procedure now suggested is not an amendment. It is a new resolution or it purports to be a new resolution. If the Minister of Trade and Commerce had not given notice in *Votes and Proceedings* but had said when we got back in committee, I propose to introduce an amendment to the proposed resolution, that would be an entirely different thing. However, that course is not being followed. With a proposed resolution already before us and in the possession of the committee, what it is sought to do here is to substitute for it a new and different resolution, not an amendment. This creates an entirely new situation and does not, in my submission, follow from the precedent with respect to bills upon which Your Honour based your argument this afternoon.

It is true that May at page 499, already referred to by Your Honour, does say:

> There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provision(s). But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions,—

I should like to refer Your Honour back to page 383 in which it is said:

> A motion must not anticipate a matter already appointed for consideration by the house, whether it be a bill or an adjourned debate upon a motion.

Here we have a motion on the order paper made by the Minister of Trade and Commerce, and which is being considered, that it is expedient to introduce a bill. That motion is now being considered in the committee of the whole. The Minister of Trade and Commerce proposes by the notice given in today's *Votes and Proceedings* another motion, not to amend the present one but to introduce a different one, both dealing with the same subject matter, and dealing with the subject matter of a motion already appointed for consideration by the house. Therefore, my first point is that here clearly within the meaning of May at page 383 we have a proposed motion which anticipates the matter of a motion upon the consideration of which the house has already embarked, and the further consideration of which is appointed for another day. That, I think, deals with the question of the difference between new resolutions and amendments.

Now, I go back to page 499 and the citation that you referred to which states that it is in order to introduce a new bill dealing with the same subject matter as another. May makes it clear that if a decision of the house has already been taken on one such bill, for example, then you could not introduce another bill. I submit that while it is not

exactly on all fours, my proposition is largely the same; that when a decision of the house has already been taken with respect to the motion of the Minister of Trade and Commerce now on the order paper we have decided to commit that motion for consideration by the committee of the whole. That decision has been taken. It is true that the matter has not yet been finally disposed of, but we have had a decision of the house with respect to the motion, and now here we are with another motion coming along dealing with exactly the same thing and we are asked to take another decision. If that does not anticipate a motion already appointed for consideration, and if it does not seek to introduce a matter on which a decision of the house has already been taken, then I do not know the meaning of those words.

I believe that if Your Honour will read the two citations together, the one on page 499 and the one on page 383 to which I have referred you, you will see that there has to be something to reconcile the two which are otherwise in apparent conflict, and I believe I have suggested the only way in which they can be reconciled. That way is, firstly, it is not an amendment; it is a new motion. Secondly, it deals with something on which a decision of the house has already been taken because the house decided that the original motion is the one that should be referred to the committee of the whole. Now, the Minister of Trade and Commerce is asking us to decide that we were wrong then and it is some other motion that we should refer to the committee of the whole. That is my submission on the point that Your Honour has raised in answer to us.

Whatever may be Your Honour's decision you must recognize, sir, that we advance our point of view with vigour; we believe it to be correct. We may say, in the course of argument, we think it is so clear that a decision is obvious. Surely you will permit us to argue with vigour without saying we are reflecting upon you if your decision should happen to be the other way, however much we disagree with your decision.

Mr. Speaker: May I put the mind of the hon. member at rest by saying that there cannot have been a decision of the house with respect to this resolution precisely because of the terms of standing order 61, which reads:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

Mr. Knowles: Mr. Speaker, I think I can do this briefly.

Some hon. Members: Hear, hear.

Mr. Knowles: I thought it was time to get some applause from the government side and I knew that was the way to get it.

First, it is still my view that Your Honour does not need to make a ruling at this moment. It is still my view that Your Honour has until printing time tonight to make a ruling as to whether or not this new notice of motion should go on the order paper.

The second point I wish to make is this. I hope it is very clear that the only point now being debated, the only point on which Your Honour will rule, whether now or before printing time tonight, is as to whether or not this new notice of motion is allowed to go on the order paper. What I am reserving by making that statement, Mr. Speaker, is this. I feel that if Your Honour does decide that the motion should go on the order paper, we still have the right, when the Minister of Trade and Commerce seeks to move it, to raise a point of order against the question being put to the house at that time, and I shall do so.

The third thing I wish to say, Mr. Speaker, is precisely on the point which the hon. member for Kamloops and Your Honour were discussing just a moment ago. It seems to me that Your Honour and some of those who are interjecting from the government side, like the Minister of Citizenship and Immigration, are trying to make too much out of the word "proposed". It seems to me you are trying to make too much out of the fact that it is not a resolution of the house until it has gone through the committee stage, been reported back to the house and approved by the house. What I think Your Honour should consider is that the motion which the Minister of Trade and Commerce will seek to move tomorrow will be asking the house tomorrow to make a decision substantially the same as the decision which the house made on Monday, February 6, 1956, as reported at page 877 of *Hansard*. It was not just a mere formality that the house went through on that occasion. This is what *Hansard* says:

> 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, which has been recommended to the house by His Excellency:
> That it is expedient . . .

And so on.

Then, after the resolution is printed in full, there appear these words:

> Motion agreed to.

At that time this was not just a formality; this was not just something *pro forma* that

the house went through because it was 2.30 in the afternoon. We made a decision of the House of Commons to refer this resolution to the committee of the whole. That was done on February 6, 1956. It is not only recorded in *Hansard*; it is recorded in *Votes and Proceedings* of the same day. I remind Your Honour of citation 252 in Beauchesne's second edition, which says that the *Journals*—in other words, *Votes and Proceedings*—are the official record of the house. In other words, this is an official, definitive, substantive decision of the House of Commons on February 6, that this certain resolution be referred to the committee of the whole house.

Now, the minister seeks, by the notice he has given, to move tomorrow a motion which will again read, if it is allowed:

> 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, which has been recommended to the house by His Excellency:—

I suppose it has been approved by His Excellency.

> That it is expedient—

And so on.

If the motion is put against our objection tomorrow and if it carries it will have at the end the words: "Motion agreed to", whereupon the *Votes and Proceedings*, the *Journals* of this house of February 6, 1956, and of May 10, 1956, will record the passing of two motions which are almost identical. I suggest, Mr. Speaker, with the same vigour, the same belief that I think our position is obvious, as has already been expressed by hon. members to my right; that for the house to do that would be flying in the face of the rule which I quoted when I rose some time ago and quoted citation 325 in Beauchesne's third edition which states that a motion or amendment cannot be brought forward which is the same in substance as a question which has already been decided. This house decided the question to which I have referred on February 6, 1956. The Minister of Trade and Commerce wants it to decide substantially the same question tomorrow. I submit that Your Honour's—I am sorry, I will not use the word that almost slipped out—statement to us in the past regarding repetition in debate and with regard to having two debates on the same subject supports the position we are taking that this motion should not be allowed.

Mr. Speaker: I know he is doing so inadvertently but in my view the hon. member is confusing a decision on the merits or the subject matter of the resolution and decisions of the house which are merely to get things going, these formal procedural motions.

How can a resolution preceding a money bill do anything but what is prescribed by standing order No. 61? We have to go through the procedure to put that resolution into committee because of our own standing order No. 61 which says that before we decide about the merits of the resolution we must go into committee of the whole on it.

Mr. Knowles: May I ask another question, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Knowles: Does Your Honour recall that the motion of February 6 which called for a decision at the next sitting of the house was the subject of a recorded vote in the house when that decision was taken, thus making it a decision of the house which was taken twice?

Mr. Speaker: Yes, but the decision taken was that the house did want the Speaker to leave the chair for it to consider the resolution in committee. The fact remains that no decision was ever taken on the resolution itself. Let us not have any confusion about that. The citation in Beauchesne's which the hon. member has read about the amendment to a motion has to do with the subject matter of the resolution itself.

Mr. Knowles: But, Mr. Speaker, neither will the minister's motion tomorrow then, in your terms, sir, be a motion regarding the subject matter of the resolution; it will be a motion for the house to go into committee on a resolution and the resolutions are almost identical.

Mr. Speaker: Of course one can make a long argument about these things but the rules are that if an hon. member wishes to introduce a resolution and especially a money resolution it must be proceeded with by the royal recommendation and 48 hours' notice must be given.

Mr. Michener: Mr. Speaker,—

Mr. Speaker: Perhaps the hon. gentleman has something to say that is of paramount importance.

Mr. Michener: It is not of paramount importance, Your Honour, but I just put this question to Your Honour. If the motion to go into committee had been negatived on this resolution, would Your Honour then consider that the same motion could be made again?

Mr. Speaker: The Speaker would not have left the chair that day but the motion for him to leave the chair could have been made the next day.

Mr. Fulton: Oh no.

Mr. Speaker: Oh yes. Well, hon. members seem to be surprised. The motion is that this house go into committee of the whole at the next sitting to consider the following proposed resolution. By "next sitting" is meant the next sitting at which the government decides it wants to take it up. If that motion is defeated another motion can be made to reintroduce the resolution because the house may decide it will go into committee of the whole on some other day although it has been decided on a previous day not to go into committee of the whole. The same with the motion on second reading. If the house decides on that day it will not read it it may be read a second time on another day.

Mr. Fulton: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Fulton: Does Your Honour argue that if the motion that a bill be now read a second time is negatived the government could introduce that motion again during the same session? If the motion that a bill be now read a second time were negatived and the house decided it should not be read a second time, does Your Honour argue that the government could introduce that same motion later during that session on the same bill?

Mr. Speaker: Oh yes.

Mr. Fulton: Oh no.

Mr. Speaker: The hon. member for Kamloops seems to be scandalized by my statement to that effect and now the discussion is ranging from one point to another. Hon. members will admit that some of them might have come prepared to discuss this point of order whereas I was not prepared. I am not going to allow myself to go throughout the various rules of the book this afternoon and the citation to which I referred should be easy to find. The citation is to the effect that it is not appropriate for the people opposing the bill to vote against the second reading because all they decide then is that second reading be not now given, and that it be given second reading some other time. That is what the citation says; look at the second reading of bills. See Beauchesne's third edition, citation 656.

Mr. Coldwell: Mr. Speaker, may I say one word. I presume that hon. members of the government before this was introduced gave consideration as to whether or not this was the right way to proceed and the odd thing to me is that no member of the government has risen to support any argument in favour of considering this. You, Mr. Speaker, have had to carry the burden of the whole argument. I am sure they must have gone into this rather thoroughly.

Mr. Dechene: This is not a debating society.

Mr. Fleming: The hon. member for Fort William (Mr. McIvor) spoke for the government.

An hon. Member: It is too complicated for them.

Mr. Speaker: Hon. members should not imply that there might have been some sort of a sinister conspiracy in order to organize this.

Mr. Coldwell: Oh, Mr. Speaker, do not put that interpretation on my words. I was commenting on the fact that you are the judge in this particular instance and I was expecting arguments pro and con from those who believe that this is or is not the right procedure.

Mr. Speaker: I want to tell hon. members that the resolution which is now on the order paper—I still have to read it. I heard the statement made by the minister the other day in which he explained that he would place another resolution on the order paper and I consider that that is what we are talking about. I have not read it.

It is up to any hon. member to come and consult the officials of the house or even to come and consult me. It is one of the duties of the Clerk to advise the Speaker. While the Leader of the Opposition (Mr. Drew), the hon. member for Kamloops (Mr. Fulton) and the hon. member for Winnipeg North Centre (Mr. Knowles) were speaking, the Clerk was good enough to send me some very good references which I had time to read. I listened very attentively to the points made by all the hon. members who spoke. They spoke at sufficient length to permit me to examine the references and I am making my ruling. We are at the point now where we are discussing—

Mr. Knowles: Is Your Honour making a ruling on a resolution which you say you have not read?

Mr. Speaker: I am not called upon to rule on the content of the resolution. I am called upon to rule as to whether or not that resolution should be on the order paper following the rule which says that 48 hours' notice should be given. The resolution will come up tomorrow as a notice of motion and the motion will have to be made to appoint another day in order to have it considered.

Now, I offered earlier to delay the judgment in this case until tomorrow. Hon. members have indicated that they wanted to have a ruling now. I have given my ruling

and I think we have had a discussion of sufficient length. I will say this to hon. members. If after reading *Hansard* tomorrow morning and after consulting with the Clerk there is any reason why something should be done in order to remove the resolution from the order paper, I will see to it that that action is taken; but if, on the other hand, after carefully reading all the arguments that have been put forward and all the authorities that have been cited and after discussing the matter fully with the Clerk and his assistants I have to come to the same conclusion that the matter may still be considered by the house, then it will be on the order paper tomorrow.

[*Later:*]

Mr. Speaker: I should like to refer the hon. member for Kamloops (Mr. Fulton) to citation 656, which reads:

> The opponents of the bill may vote against the question that the bill "be now read a second time"; but this course is rarely adopted as it still remains to be decided on what day it shall be read a second time, or whether it shall be read at all; and the bill therefore is still before the house, and may afterwards be proceeded with.

PATENT ACT

AMENDMENTS RESPECTING FOODS AND MEDICINES, ABUSE OF RIGHTS, ETC.

Mr. H. R. Argue (Assiniboia) moved for leave to introduce Bill No. 292, to amend the Patent Act.

Motion agreed to and bill read the first time.

STARRED QUESTIONS

Mr. Speaker: I would remind hon. members that it is now four o'clock, so under the rules we could not take up starred questions. Probably I spoke too much on the point of order. Standing order 39 (1) (b) reads:

> Starred questions shall be taken up on Wednesdays after the ordinary daily routine of business has been disposed of and not later than one hour after the time of meeting of the house. If proceedings thereon be not concluded at the expiration of one hour after such business has been entered upon, such starred questions as have not been taken up shall stand over until the next Wednesday sitting.

Perhaps we are all responsible for not having stopped in time to permit our taking up starred questions before this, and perhaps with unanimous consent we could set aside this rule for today.

Some hon. Members: Agreed.

WHARF CONSTRUCTION, BAIE STE. CATHERINE, QUE.

Question No. 51—**Mr. Maltais:**

1. Is the federal government giving consideration to the construction of new wharf facilities for improved ferry service at Baie Ste. Catherine, Quebec?

2. If so, have arrangements been made with the government of the province of Quebec to construct the road leading to the proposed new wharf?

Hon. Robert H. Winters (Minister of Public Works): This matter is being studied. A connecting road would need to be built to the site considered most appropriate for a new wharf. I have communicated with the government of Quebec asking if they are prepared to build such a road but to date have not received their answer. I have told the government of Quebec that we cannot proceed further with our studies until we know if they are prepared to undertake construction of the road.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUTTER STORAGE EXPENDITURES

Question No. 382—**Mr. Fraser (Peterborough):**

What was the total amount of money paid to each of the following companies for the storing of butter during the year 1955: Ayer Storage Limited, Montreal, Quebec; Canada Cold Storage, Montreal, Quebec; Federal Cold Storage, Montreal, Quebec; Lovell & Christmas (Canada) Limited, Montreal, Quebec; Manitoba Cold Storage, Winnipeg, Manitoba; National Harbours Board, Montreal, Quebec; Montreal Refrigerating & Storage, Montreal, Quebec; Terminal Warehouses Limited, Toronto, Ontario; Trenton Cold Storage, Trenton, Ontario; Winnipeg Cold Storage, Winnipeg, Manitoba?

ARMED SERVICES—RECRUITMENT EXPENDITURES

Question No. 408—**Mr. Hamilton (York West):**

1. What was the total cost of recruiting for each of the three armed services for the last 12 months for which figures are available?
2. What is the breakdown of these costs under the following headings: (a) advertising; (b) recruiting centres and offices; (c) travelling teams; (d) other costs?

ORDERS IN COUNCIL—EXEMPTIONS FROM SALES TAX

Question No. 444—**Mr. Diefenbaker:**

1. Have any orders in council been passed since January 1, 1946 which exempt any product from sales tax?
2. If so, what are the numbers of such orders in council?
3. Are any of them still in effect?
4. If so, what are the numbers thereof?

HOGS—PRICE AND GRADING STATISTICS

Question No. 446—**Mr. Smith (Battle River-Camrose):**

1. What was the price paid per cwt. for (a) grade A hogs; (b) grade B1 hogs; (c) other grades of hogs, on the (i) Vancouver; (ii) Edmonton; (iii) Winnipeg; (iv) Toronto markets, on the 15th of each month from September 15, 1955 to April 15, 1956 inclusive?
2. What percentage of hogs marketed on each of the above dates was placed in (a) grade A category; (b) grade B1 category; (c) other categories?

Inquiries of the Ministry

C.N.R. AND T.C.A.—ADVERTISING EXPENDITURES

Question No. 450—**Mr. Stewart (Winnipeg North):**

1. What was the amount spent for advertising by Canadian National Railways and Trans-Canada Air Lines during the calendar year 1955?
2. What agencies were employed?
3. What amount was paid to each agency?

LIGHTHOUSE KEEPER APPLICATIONS

Question No. 470—**Mr. Robinson (Bruce):**

1. Were applications for lighthouse keepers called for in connection with Port Stanley, in 1954, and Port Dalhousie and Niagara-on-the-Lake, in 1955?
2. If so, what are the names and addresses of the applicants?
3. Who was the successful applicant for each position?
4. What are the respective salaries paid?
5. Does the department practise promotion within the lighthouse keeper service?
6. If so, was this done in connection with the abovementioned locations?

SOCIAL WELFARE, QUE.—FEDERAL ASSISTANCE

Question No. 472—**Mr. Maltais:**

1. During each year, from 1951 to 1956, what amounts have been paid by way of (a) family allowances, (b) old age pensions to Canadians having reached the age of 70 years; (c) unemployment insurance, in the county of Charlevoix, Quebec?
2. During each year, from 1951 to 1956, what amounts have been paid by way of old age pensions to Canadians between the ages of 65 and 70 years, in the province of Quebec?
3. During each year, from 1951 to 1956, what amounts have been paid by way of pensions to blind persons, in the province of Quebec?

EDUCATION—FEDERAL EXPENDITURES

Question No. 480—**Mr. Enfield:**

During the fiscal year 1955-56, what sums of money by way of outright grants, bursaries, scholarships and loans were expended by the federal government directly in aid of education in Canada, including grants for assistance to Indians and Eskimos (a) by each department of government in each province, for aid to university students, and including professional training; (b) by each department of government in each province for education on the secondary and elementary school levels?

IMMIGRATION

DR. CORLISS LAMONT—REFERENCE TO REFUSAL OF ENTRY

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. Could the minister report to the house, either now or later, on the refusal of immigration officers to admit to Canada Dr. Corliss Lamont who was to deliver lectures in the First Unitarian Church, Toronto, yesterday, and the grounds for such action by these officers?

[Mr. Smith (Battle River-Camrose.]

Mr. Fulton: Could the minister also say why he has changed his departmental mind?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, although the question relates to an individual case I think it is of sufficient public interest to make it desirable that a reply be made. I may say that Mr. Lamont arrived in Windsor yesterday. According to the information I have received from our Windsor office, before he arrived he advised the United Press, I am not sure whether in New York but at least somewhere in the United States, that he was coming to Canada to give some lectures. The United Press spoke to our office in Windsor and asked what would be done about him when he arrived.

It is quite probable that if these things had not happened there would have been no question raised about his entry into this country, but because these queries were made by the press, queries which perhaps in my suspicious mind might have been inspired by Mr. Lamont, certain questions were put to him. It appeared to the inquiry officer that he fell within the classes of person which parliament saw fit to prohibit entry to Canada under section 5 (1) of the Immigration Act which reads:

> No person, other than a person referred to in subsection (2) of section 7, shall be admitted to Canada if he is a member of any of the following classes of persons:
>
> (1) persons who are or have been, at any time before or after the commencement of this act, members of or associated with any organization, group or body of any kind concerning which there are reasonable grounds for believing that it promotes or advocates or at the time of such membership or association promoted or advocated subversion by force or other means of democratic government, institutions or processes, as they are understood in Canada, except persons who satisfy the minister that they have ceased to be members of or associated with such organizations, groups or bodies and whose admission would not be detrimental to the security of Canada.

In view of the information which was given to the inquiry officer by Mr. Lamont, and which indicated that he had at one time belonged to a certain organization which the attorney general of the United States had indicated was a subversive organization in that country, I have no criticism to make of the conscientious civil servant who ordered his deportation. Mr. Lamont was informed at once that he had a right of appeal to the minister. Up until a late hour last night he had not exercised that right, but I am told that he filed an appeal about midnight.

Early this morning I began to make inquiries about this matter which I confess had disturbed me. I found that an appeal had been entered and I took steps to see that

the material respecting the appeal was communicated to me in an unusually rapid way so that I could make a judgment upon it immediately. Upon considering the evidence in the case I could not satisfy myself that Mr. Lamont necessarily fell within the classes of persons mentioned in section 5 (l), and I accordingly decided to give him the benefit of the doubt and to allow his appeal.

I have been advised that he is on his way to Toronto to fulfil one of the two engagements. I took this course because it did not appear to me that, whatever the letter of the law might be, a lecture given by Mr. Lamont at the Unitarian church in Toronto would be the slightest danger to the security of Canada, and I did not think it was wise to have any unnecessary impression created that we in this country were afraid of listening to people like Mr. Lamont or that we were trying to suppress free speech. I think I might add, however, that it is my own belief, a belief which I doubt if I could support by concrete evidence, that this was a deliberate attempt on the part of a communist front organization to portray this country as a country in which we are afraid to allow free speech.

Mr. Fulton: In view of the serious nature of the minister's last statement, can he tell the house what is the name of the communist front organization about whom he has these suspicions?

Mr. Pickersgill: The name of the organization in question is the national council for American-Soviet friendship.

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a supplementary question to the Minister of Citizenship and Immigration. Would he let the house in on the secret of how in the Lamont case—and I am not criticizing the judgment of the minister—it was that they operated so quickly? I should like to get the name of the solicitors who can get action that quickly. Would the minister tell the house?

Mr. Pickersgill: I do not know, sir, whether that kind of question merits an answer in this house.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I now ask the minister once more, regardless of what he thinks of it, was it the president of the Liberal federation of Canada who did it?

Mr. Pickersgill: The first person who motivated the minister to take any action in this matter was the minister himself.

Mr. Diefenbaker: That is not what the New York *Times* says.

[*Later:*]

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to ask a supplementary question of the Minister of Citizenship and Immigration arising out of the last part of his statement in which he replied that Dr. Corliss Lamont had been a tool of a communist front organization in his attempt to enter Canada. I should like to ask the minister whether he is aware of the fact that Dr. Corliss Lamont was exonerated by a committee of the United States Senate on precisely that charge—

Mr. Speaker: Order.

Mr. Cameron (Nanaimo): —and that the charges—

Mr. Speaker: Is the hon. member giving information or is he asking for information?

Mr. Cameron (Nanaimo): I am asking whether the minister knows, because I am very much surprised if he does not know, but apparently he does not.

Mr. Speaker: Perhaps no one would be surprised if the hon. member would ask a question.

Mr. Pickersgill: Mr. Speaker, I should like to say that I would be extremely surprised if, when *Hansard* is examined, it will be found that I said that Dr. Lamont was a tool of anybody. I do not think I used any such expression. I have not made an exhaustive study of his biography and I hope I shall not be obliged to do so.

LABOUR CONDITIONS

FURTHER STATEMENT REGARDING IMPENDING SEAMEN'S STRIKE ON GREAT LAKES

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Labour. Has the minister received an answer to his telegram to the seafarers' international union? If so, have they accepted the offer of the government to provide mediation services?

Hon. Milton F. Gregg (Minister of Labour): Yes, Mr. Speaker. I am sure you will be glad to know that my answer will not be as long as yesterday. In answer to the hon. member's question I should like to bring the house up to date, and I shall be quite brief.

The Canadian director of the seafarers' international union has advised me by telegram that the strike deadline set for two companies could only be postponed by means of another vote which could not be taken in time. However, he promised co-operation in any effort to mediate the dispute. I replied that mediation would be provided on the

understanding that the mediator's efforts would be directed toward settling the entire dispute involving the seven employers rather than just the two where a strike is threatened.

Counsel representing the association has also advised me that the companies are willing to participate in any mediation proceedings, despite the strike notice to two companies, on the understanding that such proceedings are between the association of lake carriers and the seafarers' international union.

In order, therefore, to assist the parties in the settlement of this dispute I have appointed Mr. H. Carl Goldenberg, Q.C., of Montreal, as an industrial inquiry commission under section 56 of the Industrial Relations and Disputes Investigation Act to act as mediator. Mr. Goldenberg has had many years experience in dealing with labour relations matters and is entering upon this assignment immediately.

RAILWAYS AND NON-OPERATING UNIONS—REQUEST FOR FURTHER STATEMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour? Has the minister now heard from the two parties to the meeting which was discontinued yesterday concerning railway wage negotiations, and can he say what steps he is taking to try to achieve the implementation of the report of the conciliation board that he appointed?

Hon. Milton F. Gregg (Minister of Labour): Yes, Mr. Speaker, I have heard from the two parties. As a matter of fact, I have been in constant touch with the representatives of the two parties. The government is giving very full consideration to this important matter but I am not in a position to make a statement on it today. However, I can assure my hon. friend and the house that I will make a report just as soon as it is possible to do so.

FISHERIES

ESTABLISHMENT OF FLOOR PRICE ON DOGFISH LIVERS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Fisheries. In view of the delay in the completion of the discussion of the minister's estimates, could the minister make a statement to the house at an early date answering the question I asked, as recorded at page 1617 of *Hansard*, with regard to the establishment of a floor price on dogfish livers? I am not asking for an answer today but I should like the minister to make a statement as to what has been decided.

Hon. James Sinclair (Minister of Fisheries): About ten days or two weeks ago the government did decide to take the advice of the fisheries research board and the fisheries prices support board and offer a bounty of $10 a ton on dogfish delivered to reduction plants on the west coast. At the present time the fishing industry and the fishermen's union are considering the matter with respect to the amount which the industry can afford to pay to supplement that bounty to make the operation an economical one.

EDUCATION

SHORTAGE OF ENGINEERS AND SCIENTISTS—INVESTIGATION BY GOVERNMENT

On the orders of the day:

Mr. Michael Starr (Ontario): I should like to repeat a question I addressed to the Prime Minister the other day on the orders of the day and to which I did not receive an answer. It had to do with what steps are being taken by the government to ascertain how great the shortage and need of engineers and scientists in Canada is.

Right Hon. L. S. St. Laurent (Prime Minister): I will have to take that question as notice. I do not know what kind of investigations are being made. I know that there have been communications to the government and that there may be information available about the subject. I will try to get it and communicate it to the house.

PIPES LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO TABLING OF AGREEMENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Trade and Commerce if he has yet tabled the current agreements between the government and the Trans-Canada Pipe Lines company which he said yesterday he would table as soon as they had been signed?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I understood that the agreements were to be tabled before the house met today. Perhaps my parliamentary assistant can tell me whether they were. I feel sure they were but if not they will be tabled very shortly.

Mr. J. H. Dickey (Parliamentary Assistant, for the Minister of Trade and Commerce): Yes, they were tabled before two o'clock.

INQUIRY AS TO REPLIES TO MR. MCMAHON

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask the Minister of Trade and Commerce whether his inquiries in his department have established whether or not he wrote any letters replying to Mr. McMahon's letters? The minister said he would table them if there were such.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have been rather busy and I have not been able to search my personal files for acknowledgments of letters. However, I have a staff who read *Hansard*. I assume that my staff noticed the discussion, and I also assume that if there had been any replies they would have been tabled. I have not inquired personally.

Mr. Fulton: Does your staff not usually let you know what they find?

Mr. Howe (Port Arthur): Sometimes, and sometimes not.

EXTERNAL AFFAIRS

NATO—ATTITUDE TOWARD SHIPMENT OF ARMS TO MIDDLE EAST

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs arising out of press reports respecting the meeting of the NATO council. Was any arrangement or agreement arrived at as among Britain, the United States, France and Canada whereby there is going to be a change in the attitude that has been taken by these powers other than France toward the shipment of arms to the Middle East?

Hon. L. B. Pearson (Secretary of State for External Affairs): No, Mr. Speaker; no such agreement was discussed or reached at the NATO meeting in Paris.

TRADE

GATT—REPORTED TARIFF CUTS BY CANADA

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Can the minister give the house any information about the reported tariff cuts that Canada is making within the GATT organization?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have not yet received a report from Geneva. I will be glad to announce it when any information comes to hand.

Income Tax Act

WAYS AND MEANS

The house in committee of ways and means, Mr. Robinson (Simcoe East) in the chair.

INCOME TAX ACT

Resolved, that it is expedient to introduce a measure to amend the Income Tax Act and to provide, among other things:

1. That for the 1956 and subsequent taxation years, in the taxation of employees who are beneficiaries under an employees profit sharing plan, (a) gains and losses of the trustee under the plan in connection with investment transactions shall not be taken into account in calculating the income of the employee; (b) such part of any amount received by the trustee as a dividend from a taxable corporation as is taken into account in calculating the income of the employee shall be deemed to have been received by the employee as such a dividend for tax credit purposes; and (c) there shall be excluded in calculating the income of an employee for the period of his first three years as a beneficiary under the plan any amount contingently allocated to him if, within that period, the employee does not become entitled to receive that amount upon his withdrawal from the plan.

2. That for the 1955 and subsequent taxation years a deduction shall be allowed for expenses of attending in Canada not more than two conventions annually relating to the business of the taxpayer.

3. That for the 1956 and subsequent taxation years uncertainty regarding the applicability of outstanding regulations respecting depletion allowances be removed.

The Chairman: House again in committee of ways and means on a certain proposed resolution to amend the Income Tax Act. May I remind hon. members that last evening the committee had completed its discussion with respect to paragraph 1 and that when the committee rose at ten o'clock it had been discussing paragraph 2.

Mr. Nesbitt: Mr. Chairman, last evening I had made some remarks on paragraph 2 chiefly concerning the fact that the words "in Canada" should be taken out of this particular section. I should like to repeat those remarks in substance again today, Mr. Chairman, particularly in view of some remarks which are reported in the *Globe and Mail* this morning and which were allegedly made by the Minister of Public Works last night in Cambridge, Massachusetts, at the Massachusetts Institute of Technology. I refer to the news item in the *Globe and Mail* this morning which is quoting the minister as follows:

"We are a nation on the march," he said. "We are a nation keenly in need of the sort of training and skills you are getting here at M.I.T. . . ."

Then further on we find this:

He said Canada faces a great shortage of engineers at a time when every effort is being utilized to develop natural resources.

It seems to me, Mr. Chairman, that some ministers of the government are trying to

encourage the training of engineers, scientists and so on, lauding the skills taught at the Massachusetts Institute of Technology while on the other hand some other branches of the government are apparently trying to prevent Canadian engineers or rather to discourage Canadian engineers—I should not say "prevent"; "discourage" is a better word—scientists, doctors and so on from obtaining the advantages of this institution to which I have referred and many other fine institutions in the United States, Europe and elsewhere. Last evening the Minister of National Revenue made some remarks at which I was somewhat surprised when he said that the reason they had limited this to "in Canada", or he infers that the reason the two words "in Canada" were included, was that one doctor had gone to Europe to attend a convention, had taken his wife with him and apparently had gone on quite a spree and tried to deduct the expenses. That well may be the case. Then I believe the minister went on to say that because of certain events such as that—and I would not disagree with the minister in that particular instance—it was decided—

Mr. McCann: Did I say "such as that"? No, I did not.

Mr. Nesbitt: Possibly I may be open to correction but I shall leave the matter to *Hansard*.

Mr. McCann: I referred to nobody's spree at all.

Mr. Nesbitt: Possibly the minister did not use the word "spree".

Mr. McCann: No.

Mr. Nesbitt: The inference was the same, namely that the doctor had a very good holiday.

Mr. McCann: No. That is your inference.

Mr. Nesbitt: I will stand by whatever is in *Hansard* with respect to what the minister said. It was to the effect that the doctor had a nice trip or words to that effect. I would be prepared to agree with the minister that in cases such as this the minister is probably quite right. But if scientists, doctors or engineers were going to attend conventions where their own knowledge would be increased and thereby the technical knowledge and skills required in this country, which is apparently in need of them at the present time, it would not seem to me to be too difficult to iron out the matter. For instance, a regulation could be made in the department that they could not take any of their wives or families with them. I think that would help. Possibly there might be some limitation on the expenses that could be deducted for conventions and such like. But simply to say that a certain incident—and that may be possible—prompted this legislation is rather shortsighted, in my opinion, in view of the need for trained scientists, engineers and doctors in this country. Since, as I believe I mentioned last evening, it is difficult to increase the numbers too quickly, the best we could possibly do is to try to increase the skills of those who are already there.

The discussion last evening, Mr. Chairman, seemed to revolve chiefly around the medical profession in particular. I would certainly agree that it is an extremely important profession. Advance in medicine might certainly be helped by our Canadian doctors attending conventions in the United States, South America and in Europe. I do not think any one would suggest that Canada is the sole repository of medical knowledge. A little later on in his remarks I believe the Minister of National Revenue suggested that if wealthy men go to these conventions, they should pay for it. I would quite agree that wealthy doctors, engineers and other scientists can well afford to go to conventions in other places. But by the time that men in the medical profession and in the other professions I have mentioned get to be wealthy they are usually fairly well on in years. It is the young scientists, the young doctors and the young engineers who are interested in getting this additional knowledge, not the old ones, or at least not to the same extent. If you want to encourage our young doctors, scientists and engineers to try to acquire knowledge in their fields and thus help not only themselves but this country when it is in need. I do not think the way to go about it is to discourage them in every way possible. Everyone knows that young doctors, and young scientists on staffs or working on their own often have families and have children to bring up; maybe there is a mortgage on the house to pay off. They have not enough money to go travelling even to fairly close parts of the United States. I think the government could very well help out by allowing any such scientist, engineer or doctor to go to two conventions a year, no matter where they might be, and allow their expenses, within certain financial limitations, as a deduction from income. Of course, this would not apply to their wives and families. I would agree with the remarks made last night in this respect by the Minister of National Revenue; that would certainly not be reasonable.

I cannot see why this restriction is placed in this resolution. As was pointed out by several hon. members last night, a doctor in Vancouver might want to attend a convention

in Halifax or in Quebec city, which is a long distance from Vancouver, and his expenses would be deductible. But if there were a convention in Buffalo a doctor living in Hamilton would not be able to deduct his expenses if he attended that convention, yet there would be little comparison between the two items of expense.

I should like to point out one other matter in this regard. A great many young scientists are on the staffs of our universities. Since they are salaried people, I understand from my colleagues who are accountants that they could not make a deduction of their expenses in attending conventions. However, their university could pay their expenses and allow them as a deduction. I think most of us realize, particularly in view of the news in the last few days that universities in Canada have had to raise their fees—which is a regrettable circumstance indeed—that most universities are not affluent. If the universities of this country wish to increase the knowledge of the scientists or engineers on their staffs, then the administrative bodies of the universities should be allowed to send these staff members abroad to gain that additional knowledge. The knowledge in all branches of science, like medicine, is certainly not confined to one country. I would hope that the Minister of Finance or his parliamentary assistant would give some kind of answer this afternoon to explain why there is this restriction, "in Canada", included in this resolution.

Mr. Barnett: I must say, Mr. Chairman, I was rather disappointed a few minutes ago to observe that the Minister of Finance had apparently been called out of the house, because I certainly felt we should have had some reply from him to some of the questions that have been raised before this resolution is carried. I feel that some of the problems that were raised last night in respect to the inequities that, in my opinion, are going to be aggravated by the introduction of the proposal in section 2 of the resolution, do call for some explanation by the government as to why they are going to be allowed to continue. I recognize that the Minister of National Revenue did participate in the debate last night. But I would point out to you, as the minister so often and carefully explains to us, that the minister's function is an administrative one relating to the collection of taxes rather than to policy in regard to the imposition of taxes. His participation in the debate does not really constitute an answer from the government on the policy matters that have been raised.

In regard to the question of the discriminatory features that are in the present section 5 of the act, which I suggested last night are going to be further aggravated by the proposal that is now before us, I mentioned that I had raised this particular matter last year and the year before. I recall that a year ago the parliamentary assistant did make some reply but his reply, in effect, was that he would draw my remarks to the attention of the minister. It would appear that if we get any reply on this matter it is going to be a somewhat similar reply from the parliamentary assistant. I would submit that on a matter which is as important as this, which affects many millions of Canadians, that sort of answer from the government is not good enough. For that reason I think we should expect some statement on these questions from the Minister of Finance which we could accept as a statement of the government's attitude or the government's policy on this matter.

If in their view discrimination does not exist, I for one would welcome some attempt on their part to explain why they take the view the act is not discriminatory now. It seems to me when one thinks of the situation I mentioned last night where you find an appeal being dismissed, and the judge who dismissed the appeal expressing such obvious sympathy with the plight of the appellant, as was the case in the situation to which I referred, that in itself should give us cause for considering the validity of the arguments I have been advancing. I know that it is all very well for me to go to the minister privately, as I did at the end of the last session, and get from him a straightforward private answer, which was really no explanation of policy. It is all very well for me to have to do that again this year, but I submit we have a right to expect some sort of explanation from the government or the Minister of Finance, who is charged with the responsibility of setting government policy on matters of this kind, before we are prepared to vote on the question that is now before us.

Mr. Macdonnell: Before the parliamentary assistant answers, I want to repeat one suggestion I made last night. What is the objection to putting in the words "and the United States", making it Canada and the United States? If my argument last night that that would cost little or nothing was valid, and if the argument was valid that there may be a great balance of convenience in extending the scope of the measure to include south of the line, I ask the parliamentary assistant to give us an answer on that. I would further ask, if it is not possible for him to give us an affirmative answer today, would he at least say to us that this will be considered before the budget bill is introduced.

Mr. Monteith: Last evening the parliamentary assistant had this to say, as reported on page 3704 of *Hansard* for May 8, 1956, when he was discussing clause No. 2:

> It is proposed here to restore more or less the administrative practice that had been in existence prior to 1955, when that court decision was rendered.

I understand that to mean they were simply reverting to the situation as it existed before. Was it not the practice of the department to allow medical people to attend one convention in the United States at that time?

Mr. Benidickson: Now, Mr. Chairman, probably I could answer some of the points that have been raised in connection with this problem of deductions with respect to expense of attending conventions. It is not unusual for government proposals to be criticized from opposite directions. I think that is the situation we are in today. There are members of one group saying the proposal is unduly restrictive.

Then, we have had the proposal criticized by another group saying that it was unwise to re-introduce this opportunity at all. I do want to say at once to the hon. member for Comox-Alberni that he could not have had a reply to his remarks of yesterday from a more qualified person than the Minister of National Revenue, who assumes all collection awkwardness related to tax laws if wise proposals are not contained in the Income Tax Act.

Mr. Barnett: Perhaps the parliamentary assistant would permit me a word? I remind him that the Minister of National Revenue spoke before I did last night and therefore was not replying to the argument I advanced.

Mr. Benidickson: In any event, he pointed out the difficulty from the administrative point of view of examining and deciding on the merits of exemptions of relatively small consequence in dollar amount. They involve a great deal of detail and cost in the examination of the individual tax returns, and so on.

The hon. member for Greenwood placed quite a specific question forward. He said he wondered why the words "United States" could not be very readily included in the resolution. Well, what is really being done here is of course to provide something that was not secure or certain for the taxpayer in the past. This is really something to the taxpayer's advantage, since the court case technically speaking there was a doubt cast as to the propriety of even allowing the deductions in the past.

Now, part of the thinking that restricts this to Canada is that the merit and advantages to the taxpayer from attendance at conventions outside the country cannot be determined as competently by the tax officials as claims for deductions for attending conventions in Canada. The other is that most people, through their trade and professional associations, probably have some obligation in the matter of attending either a provincial or a national convention in Canada; but it is seldom that those obligations extend to the attending of conventions outside of Canada. If they do extend, it is usual that the person going to a foreign country to attend a convention is an official delegate and has probably been provided with his expenses by the association that he is representing officially. But even if that is not so, the general reasonableness of providing some restriction and limitation I think will appeal to the committee, and I think it stands as something between the criticism that this is unduly restrictive and the criticism that it should not be restored at all.

Mr. Fraser (Peterborough): Mr. Chairman, I should like to say a word on this matter. There are the chiropodists. They do not have any colleges in Canada but they generally have a convention in the United States at one or more of the colleges each year. Instead of having just the word "Canada", would it not be possible to put in the words "Canada and not more than 1,000 miles outside of Canada"? That would limit it to the United States. I know of one medical man who wondered whether he could afford to go to a convention in San Francisco.

Mr. Nicholson: Or Florida.

Mr. Fraser (Peterborough): No, this was San Francisco. There was a medical convention there. He decided he would learn something there, and he went to San Francisco. When he returned to my city a case came before him which he was able to cure. He saved the woman's life because at that convention he had learned something that enabled him to give the woman treatment that he would not have been able to give her otherwise because no one in the district had the knowledge that they had at that time.

Mr. McCann: Andersen's Fairy Tales.

Mr. Fraser (Peterborough): No, that is the truth.

Mr. Macdonnell: I have one comment to make. I quite agree with the parliamentary assistant about extending this beyond North America. I do not find the answer to my very simple request wholly convincing. Before the bill is brought down will the

parliamentary assistant take another look at this in the hope that there might be an amendment?

Mr. Benidickson: That is the invariable practice. Usually there is an interval between the introduction of these resolutions and the preparation of the amending bills in the final form. I assure my hon. friend that invariably the comments of the house at the resolution stage are examined very carefully before the bill is introduced.

Mr. Monteith: May I restate my question? Was it not the practice previously to allow one convention in the United States?

Mr. Benidickson: I think that was true under the administrative practice.

Mr. Monteith: Thank you.

Mr. Holowach: In the paragraph the year 1955 is given as the time in which the expenses of attending two conventions in Canada will be allowed. The paragraph reads:

> That for the 1955 and subsequent taxation years a deduction shall be allowed for expenses of attending in Canada not more than two conventions annually relating to the business of the taxpayer.

Since all of us have made our returns for the year 1955, just in what way will this provision be taken into account? Will provision be made in 1956 for the 1955 convention expenses?

Mr. Benidickson: The intention is simply to keep uninterrupted the tax practice to the extent mentioned in the resolution, anybody who filed a tax return with respect to 1955 in fact had notice of this intention in March when the budget was introduced and prior to the filing of his return.

Mr. Holowach: Will provision be made for those who were not aware of it?

Mr. Benidickson: Yes, they can submit a claim for reassessment.

Mr. Hees: Mr. Chairman, I think the point brought out by the hon. member for Oxford and others relative to medical men is a sound and sensible one. For instance, in my own case my own dentist, who is a very able man in his profession, spends several weeks every year in New York, Chicago, or in some other centre attending clinics which he tells me are invaluable to him in keeping up with and abreast of the latest techniques in dentistry, and it makes a great deal of difference in the kind of treatment he is able to provide his patients. He also does considerable lecturing, and these trips are of great assistance to him in that regard.

As a businessman I have been able to travel extensively in the United States and in other places to gain information for my company and I have been able to write off all expenses without any query. I can see no difference between that and trips made by medical men, scientists, engineers and so on, gaining information which is of great help to them in their professions. I do not think the government has given a satisfactory answer to this. The answer is simply: we do not want to do it, therefore we are not going to do it. I have not yet heard a realistic reason given by either the parliamentary assistant or the Minister of National Revenue as to why such expenses are not allowed to medical men, scientists, engineers and so on. I should like the government either to give a more plausible reason for not granting this request or to go ahead and follow the sensible course of granting it.

The Chairman: Have we completed our discussion of paragraph 2?

Mr. Nicholson: I am not satisfied with the answer the parliamentary assistant gave to the hon. member for Edmonton East. While the Minister of Finance announced his intention in March, this is a new state of affairs when it is taken for granted that laws become effective whenever the Minister of Finance makes an announcement. I think we should at least show the taxpayers of this country the courtesy of telling them they will have to wait until parliament enacts legislation.

I have a great deal of sympathy for the opinions expressed by the Minister of National Revenue last night when he discussed some of the problems that arise in connection with the passing of this legislation. I think it is bad enough to be using it at this stage but I think harking back to 1955 is unnecessary and unfortunate. If taxpayers were able to start with their 1956 returns, that should be all the minister could possibly ask this house to support. Certainly the taxpayers of Canada have filed their returns for the year 1955 and if they have not penalties will be levied. I can see no justification for the minister asking us now to support this section of the proposal which says that whatever has been paid in 1955 can be included.

I wonder if the minister would reconsider this point and decide whether or not he might change the date from 1955 to 1956?

Mr. Benidickson: Well, Mr. Chairman, I have indicated that I thought there were advantages for the taxpayer in maintaining the practice without an interruption. I would think that a great number of taxpayers who for some years have been making claims of this kind are probably not aware of the exchequer court decision of 1955 and in the

regular course of filling out their 1955 returns have in fact claimed this exemption as usual.

Mr. Knowles: Mr. Chairman, in view of the comment made last night by the Minister of National Revenue to the effect that these various exemptions create administrative difficulties and prompt some people to abuse them, and in view of the statement made by the Minister of Finance some time ago that one exemption begets the desire for another, I wonder whether any consideration has been given to raising the statutory exemption rather than providing these incidental exemptions?

In fact, perhaps the time has come to withdraw some of the little exemptions that we are allowed here and there and replace them by a straight increase in the statutory exemption to, let us say, $1,500 single and $3,000 married. Certainly it would be more acceptable to the average taxpayer and I gather from what the Minister of National Revenue said last night that it would make his task a much simpler one.

The Chairman: Have we completed our discussion of paragraph 2?

Some hon. Members: Agreed.

The Chairman: Paragraph 3.

Mr. Macdonnell: Mr. Chairman, I just want to say a word or two about this. My understanding is—and I am reading from the ministers' budget speech at page 2332 of *Hansard*—that this resolution is really connected with and arises partly because of a supreme court decision known as the Home Oil case. The resolution itself strikes me as a rather amazing departure from the somewhat austere and matter-of-fact wording of resolutions because what we read here is:

> That for the 1956 and subsequent taxation years uncertainty regarding the applicability of outstanding regulations respecting depletion allowances be removed.

I would have thought that that could only happen in another and better world but nevertheless it is desirable to have a high objective. It does prompt me to say, however, that the resolution as worded sounds more like a prayer than a resolution.

Now coming back to the references made to the Home Oil case, I read from the minister's speech:

> The reasons for judgment given by the court in the Home Oil case have created some uncertainty as to whether the present law and regulations as amended in 1951 are in sufficiently clear terms to support assessments made since 1951. It is proposed, therefore, to amend the law and regulations now to ensure that the intent of the 1951 amendment shall govern for the intervening period and for the future. This amendment will not deprive any taxpayer of his rights under the supreme court decision for the years prior to 1951.

I take it that the parliamentary assistant will say something on this by way of explanation of the problem which is arising in the minds of oil producers between 1951 and 1956 and I also hope that he will just say a word about the terms of the Home Oil decision so that we may have on the record an explanation of the situation which prompts this resolution.

Mr. Benidickson: It will be noted by the house that it is now proposed that this amendment to the law and regulations shall date from 1956 and not from 1951, which was mentioned in the speech made by the minister as found at page 2332 of *Hansard*.

As originally announced, it was intended to make this amendment date from 1951 so there would be no uncertainty in the period from 1951 to the present. It was never intended to deprive the taxpayer of his rights under the supreme court decision for the years prior to 1951. However, representations have been made since the budget speech from which my hon. friend quoted to the effect that amending the law effective to 1951 would deprive taxpayers of the right to test the validity of the law and regulations as they now stand and have stood for the period from 1951 to the present and accordingly it is now proposed that the amendment shall date from 1956 only.

Mr. Nickle: Mr. Chairman, I should like to direct a question or two to the parliamentary assistant on this particular subject. He states that by this proposed amendment he hopes to clarify some misunderstanding on the part of oil operators and others as to what the department actually means by depletion.

I presume what the department intends to do is to carry on in the future the same general policy followed by the department over the last several years, and that in effect is this: a statement to Canadian oil companies that if they want depletion on their oil producing properties they must quit exploring; however, if they want to gain the benefits of depletion allowance on their producing properties all they have to do is quit exploring for oil and let the exploration job be done by someone else.

It is a fact, sir, that as the regulations are now administered very few—as a matter of fact, less than one-tenth of Canadian oil companies—draw any benefit whatsoever from the depletion allowance. It is also true that while the act or the regulations would indicate a depletion allowance of one-third of

net profit is allowed on producing properties, in actual fact benefit from depletion for Canadian oil companies has amounted to less than 1 per cent of the revenue derived from producing properties.

The great question of Canadian policy with regard to depletion has been the cause of a great deal of concern not only to oil companies but also to governments and the general public of this country. For example, I find that the views I have expressed on this particular subject from time to time over the last three years are fully supported by the government of the province of Saskatchewan, a government which, as a socialist government, might normally be considered as one opposed to any form of tax hand-out, if you want to call depletion that, to private corporations. Yet we have a statement by Hon. J. H. Brockelbank, minister of natural and mineral resources of Saskatchewan, which appeared in the *Western Oil Examiner* of January 15 last. Mr. Brockelbank had this to say:

> Another important point is that due to a special tax concession to risk investment capital in the United States, the American oil and gas industry has enjoyed an advantage over Canadian risk capital in the same field. In coming to Canada, the American oil industry has spent dollars which otherwise would have found their way into the American treasury.
>
> These dollars, although welcome in Canada, have placed the Canadian investment dollar at a considerable disadvantage because of unequal dollar responsibility.

In its submission to the Gordon royal commission the Saskatchewan government went a little further than that. I think the comments made at that time might appropriately be read into the record of this house. The brief of the Saskatchewan government had this to say:

> The second general question to which the attention of the commission is drawn concerns what appears to be the continuing hesitancy on the part of Canadians and Canadian companies to invest freely in the development of their national assets. The great resources boom that has played such a prominent part in the post-war expansion in the Canadian economy stems in large measure from the substantial inflow of foreign capital, first from the United States and latterly from the United Kingdom and western Europe.
>
> This has been as true in Saskatchewan as in other provinces, especially in oil exploration where non-resident capital has played the major development role. The inflow of capital has made, and will undoubtedly continue to make, a valued and lasting contribution to the growth of the provincial economy. At the same time it would be highly desirable to secure a more active and expanded participation by Canadians and Canadian capital in this growth. Among the problems mentioned by Canadian companies in this connection, however, is the fact that under the combined impact of United States and Canadian federal income tax laws and regulations, the American-owned companies operating in this country enjoy a competitive tax advantage over Canadian companies. If it is the policy of the federal government to encourage the fullest possible participation and ownership of resources by Canadian capital in the expansion of the domestic economy, a careful review and action to remove any competitive disabilities suffered by Canadian companies should be suggested.

The government of Alberta, which of course is a Social Credit administration, made even stronger representations in connection with this particular phase of the Canadian tax policy to the Gordon royal commission. In his statement to that commission the premier of Alberta was quite clear that the government of Alberta supported the idea of the inflow of foreign capital to that province, which of course has meant hundreds of millions of dollars for the provincial treasury, but at the same time it was said that the government of Alberta would like to see a much greater participation by Canadian companies and Canadian investors. It was suggested that the best way of achieving this would be by a revision of the Canadian tax laws in order to create actually workable and effective depletion allowances much along the lines of those applied under the United States law to all companies in the United States, whether they carry out their spendings in the United States or anywhere else in the world.

The Conservative party has put its views on record in connection with this important matter, and they have been on record for a long time. However, last January the national Conservative association of Canada decided to go a step further and put on the formal record its views on the matter of Canadian tax laws, particularly with regard to depletion. The following resolution was approved by the national Conservative association:

> Whereas it is in the national interest that Canadians be encouraged to participate to the maximum in the development and ownership of Canadian natural resources such as oil and gas and other minerals;
>
> We urge the Canadian government to amend the Income Tax Act, particularly in regard to depletion allowance and lease acquisition cost write-offs in order that Canadians may compete on a nearer to equal competitive basis in the acquisition and development of Canadian oil and gas and other minerals with Americans who have the advantage of United States tax law provisions.

These things I have read indicate pretty clearly that no matter where the political views of Canadians happen to lie as between a socialist or Social Credit provincial government or the Conservative party of Canada, all are agreed on one thing, that our Canadian tax laws discriminate against Canadian investment in the development of Canadian resources.

Before going any further perhaps I should examine the question of just what is a

depletion allowance. Depletion allowances are basically and simply the recognition that an oil well or a mine producing any form of mineral, be it coal, gold, iron or any other, is a wasting asset, is something strictly limited as to the ultimate production which will be yielded. In order to stay permanently in business the owner must continuously explore to replace the reserves that are produced. In principle, depletion allowances provide natural resources production industries with a lower rate of taxation than other industries which do not have the same problem of replacing by exploration the products they produce. Depletion does not apply to what might be termed the normal business phases of such an industry as the crude oil industry. In other words the profits from refining or marketing the oil are taxed at the full corporate tax rate without benefit of any depletion allowance.

Under the present Canadian policy, a policy which has prevailed for some years, those operating oil and gas wells are extended a depletion allowance of 33⅓ per cent of the net profits, if any, remaining after all the costs of exploration and development have been recovered. However, because the huge expenditures in recent years have far exceeded the gross production income, only about one-tenth of the Canadian companies engaged in exploration have been in a position to make any net production income against which to apply a depletion allowance. The actual benefit of depletion allowances so far has only been about 1 per cent of the spendings made to replace and increase crude reserves. Therefore the purposes of the depletion provisions have been largely defeated.

Under the present regulations a Canadian company could discover an oil or gas field, and if it were carrying on active exploration work it could produce all the oil or gas from that pool and receive very little if any in the way of depletion allowance. On the other hand, if that company decided to halt or reduce its exploration work it could derive a substantial depletion allowance on the ultimate profits from the operation of that field. There is thus a penalty imposed under the Canadian tax laws upon any company willing to continue large-scale exploration, and that is a most undesirable thing in a nation whose future depends in no small measure upon the continued risking of large amounts of capital on natural resources exploration and development.

In contrast to the limited application of the depletion provisions to Canadian companies which pay out a large part of the exploration development costs in western Canada, there is under the present tax policy a depletion allowance of 25 per cent of gross income extended to the recipients of gross and net royalty interests in Canadian oil and gas wells. In other words those who do not take part in the exploration costs of the oil and have a royalty interest in the production of individual wells are entitled to the full 25 per cent gross depletion allowance. This is allowed to many farmers and others who own mineral rights, and is a much greater depletion allowance than is allowed under the Canadian law to Canadian companies who are bearing the entire cost of exploring and developing these products.

I have suggested in the house at various times in the past that the government should amend its present depletion allowance regulations to provide that the present allowance of 25 per cent of gross production income now permitted to royalty owners in Canada be extended also to those who provide the costs of exploration and development, and that we should use this gross depletion allowance in place of the current allowance of a so-called 33⅓ per cent of any ultimate net profits. Such a step would go a long way toward providing a continuing incentive for Canadian capital to maintain a large-scale exploration program in Canada. In addition, it would also put the Canadian in a more nearly equal position to his competitor, the American, in the drive to develop Canadian resources.

I might say that under United States law United States companies have a choice of the most beneficial to them of two depletion methods. They can either take 27½ per cent on gross production income by way of depletion, or else they may take 50 per cent of net production income for depletion. The proposal I make that our depletion should be 25 per cent of gross production income is still not nearly as generous as that provided under United States law.

In addition to depletion on oil and gas wells, we do have in Canada depletion on our other mineral resources, and there seems to be no consistency whatsoever in the departments's application or determination of the principle of depletion. For example, base and precious metal mines are allowed a depletion allowance of 33⅓ per cent of their annual profits. In the case of gold mines they are allowed a depletion allowance of either 40 per cent of their profits each year or else a depletion allowance of $4 per ounce of gold produced in that year. In the case of industrial mineral mines dealing with non-bedded deposits we have a depletion allowance of 33⅓ per cent of the profits in each year. In the case of coal mines we have a straight depletion of 10 cents per ton for

each ton of coal mined in any given year. There are also in the case of certain types of mines special allowances by way of tax concessions.

But in each of these other mineral industries we have a situation somewhat different from that applying to the oil and gas industry. In the case of a metal mine or a coal mine we do not have the operator of that mine faced with the necessity of huge capital expenditures on exploration and development. In the case of oil particularly the companies, big or small, if they are going to stay successfully in business, must gamble up to many times the gross amount of income they can hope to receive from their properties that are producing at the present time, and the ratio of moneys they must expend for oil exploration compared with their production income is far higher than in the case of base metals or precious metals.

It has been pointed out very ably by a great many executives of various companies, big and small, including executives of United States oil companies, at the recent Gordon commission hearings that we in Canada make it tougher for Canadians to take part in their own resource development by making our depletion regulations in Canada somewhat tougher than those applying in the case of our American brethren. For example, here is a statement made on March 28 at the annual meeting of Canadian Oil Companies Limited, which I believe is the largest single wholly Canadian-owned integrated oil company. Harold Rea, president of Canadian Oil Companies Limited, had this to say:

> The Canadian tax structure . . . gives non-Canadians distinct competitive advantage in our own oil fields.

He went on to say:

> Canadian crude oil must compete with foreign crude, but it is at a disadvantage in such competition if it is developed and produced in a tax climate less favourable than in other countries.

He concluded by saying:

> We risk and lose one hundred cents on every dollar on the cost of unproductive acreage. United States companies risk only the net cost after deducting income tax.

The practical effect, so far as western Canada is concerned, is that there has been an increasing percentage of the proved and potential oil and gas lands of the west going into the hands of foreign companies. That is something we in the west do not blame on the United States oil companies because the fault largely lies right here in Canada, and I believe lies largely in the hands of the federal income tax department. By our policies, particularly with respect to depletion and certain other phases of taxation, we have placed our Canadian companies at a very serious disadvantage in the development of our own Canadian resources.

I may say, sir, that there have been a number of Canadian independent oil companies that have developed in recent years and have done a fairly successful job of growing. But when we examine how they have grown we find that they have grown despite Canadian tax law, not because of any assistance from it. For example, some of our independent Canadian oil companies have been able to expand because they have had men in charge of them who were smart enough to go into new areas in the west ahead of the major companies, and were able to take by reservation large blocks of land. At a subsequent date, when the area became hotter than ever, they were able to make deals with the larger American companies as a result of which these American firms spent money for the exploration of these Canadian companies' lands with a share of the profits going to the Canadian company without the Canadian company being obligated to spend large sums on exploration. That has been one road to success for some Canadian companies, and I hope that road remains open.

Another road to success for some of our Canadian oil companies has been in drilling contracting, in other words going into some of the more normal phases of business and doing work for other companies, carrying out seismograph surveys, drilling oil wells and so on, on a contract basis and earning normal profits which supplement their earning capacity very largely and make it a little easier for them to get into the main job of exploring for and developing oil resources.

Then we have another method that some Canadian companies have followed, namely by going into refining or marketing. Some Canadian companies have been quite successful in that regard despite the stiff competition existing in those fields.

The fourth method by which some Canadian companies have endeavoured to stay alive and grow has been one forced on them, one which I am confident is very detrimental to the interests of this country, namely that of doing the reverse of what the United States companies have been doing. Where American companies have been coming into Canada, we find that Canadian companies have been setting up United States subsidiaries to spend their good Canadian money exploring for and developing oil and gas in the United States in order to gain the advantage of the tax laws of that country. I may say that in recent years there has been an outflow of tens of millions of dollars of Canadian oil money into

the northern United States, Texas and Oklahoma for the development of United States oil and gas resources because the tax climate in the United States is far more favourable than it has been and still is in Canada.

I would much prefer, and I am sure these Canadian oil companies would too, to see these dollars spent here in Canada in order to give Canadians a bigger share in their own natural resources. When the government brings in its amendment to the depletion regulations I would strongly recommend that it should not simply try to impose on a firm basis the interpretation of depletion that it had been applying or attempting to apply for some years, an interpretation which the Supreme Court of Canada threw out; but that in place of that it revise its depletion regulations in order to give Canadians and Canadian companies a far better break, to encourage greater Canadian participation in the development of some of our vital Canadian resources.

Mr. Harkness: Mr. Chairman, I should like briefly to support the argument which has just been made by my colleague the hon. member for Calgary South. I was extremely glad that the retroactive features of this legislation—which the budget address of the Minister of Finance indicated would be imposed—have now been withdrawn. However, I think we are still in the position that the depletion provisions of our Income Tax Act which are designed to be incentive legislation, are not acting as they were intended to act. As I understand the thing, their reason for being there is in order to give incentive to people to put money into exploration for oil and gas to develop that industry.

The nub of the matter is that they are not acting in the way they were intended to act because of the way they are applied. I think the matter is summed up concisely in the brief of the Canadian Petroleum Association to the royal commission on Canada's economic future which was presented on February 17, 1956. I should just like to read a paragraph from it concerning this matter:

> The Canadian Petroleum Association submits that the motive behind the present provisions of the Income Tax Act and regulations whereby the operator of an oil or gas well is allowed to deduct 33⅓ per cent of net profits as depletion or risk allowance was to provide the needed financial stimulus to enable the operator to use receipts from production for further exploration and development and still be able to pay a return to the shareholder. However, we also submit that the purpose of the allowance is largely defeated when Canadian producers, now in competition with foreign producers, must first deduct exploration expenditures before making this calculation. Indeed you might say that under the existing regulations the prudent operator is actually discouraged from the re-risking of his profit. This allowance, if properly applied, should result in more money being put back into exploration than would be possible without it. In this way, the efficient operator not only would have the incentive but also the necessary substantial financial boost to keep him interested in taking the risk involved in the search for oil. The chance of having a greater margin after tax would induce both investor and speculator to support our oil and gas industry. With that incentive more sums would be risked, and more lost, but the search would continue.

[Mr. Nickle.]

If we are to have this legislation for an incentive purpose, in order to encourage the search for oil, why not have it in a form which will accomplish that purpose? What is the use of having it in a form which does not accomplish what the legislation is designed to do? I would therefore also strongly urge the Minister of Finance to reconsider this matter and put this depletion allowance on a basis which will enable it to do what it was intended to do, namely encourage the search for oil and at the same time place Canadian operators in a much better position, vis-à-vis United States operators, than they are in at the present time.

The Deputy Chairman: Shall the resolution carry?

Mr. Macdonnell: No, Mr. Chairman. I want to draw the attention of the parliamentary assistant again to the very unusual nature of this resolution. It really gives us nothing definite to bite on. Paragraphs 1 and 2, of course, are quite definite. We know exactly what we are talking about. We have just now heard a powerful comment on this theory of taxation. Before we pass this resolution it would seem to me that we should have a great deal more than we have now. It seems to me that we should have the government's decision as to the whole depletion policy. Surely that would not be unreasonable.

The minister has candidly told us that he is holding over the excise resolution because he has a certain conclusion still to arrive at there. I submit that this might be usefully done here. We have heard this situation reviewed by a man of admitted knowledge in the field. We have heard the statements he has made as to the disadvantages under which Canadian explorers labour. Certainly they are widely believed. The department may have an answer satisfactory to them, but there is no doubt that they are widely believed. There has been more than one submission to the Gordon commission along that line. I ran across one the other day from Husky Oil by a man called Neilson. I think he is a man of standing in the industry.

This resolution at the present time merely expresses, as I say, a pious hope that uncertainty be removed. It is desirable, of course. But what is desirable before we decide is that we know what it is we want to make

certain. We have not been able to discuss that matter today at all. All we have by way of material is the Home Oil case. Then we have had what I submit is a formidable criticism by the hon. member for Calgary South. I do not imagine it would be reasonable to ask the government to submit the matter to the banking and commerce committee, but I suggest that it might well warrant further consideration and an income tax resolution, as I said a moment or two ago, sufficiently definite so that we may have a real debate on the question.

As the matter stands now, if nothing further is given to us it seems to me that this will go back to the government without any further suggestions, without any possibility of our criticizing what the government has in mind because, so far as I am aware, we do not know what it is. I have put this suggestion to the parliamentary assistant before he replies in the hope that it may be accepted as a reasonable and practical one likely to give us the necessary material so we can discuss it at the resolution stage.

Mr. Benidickson: Mr. Chairman, I really do not think my friend the hon. member for Greenwood has any uncertainty about the word "uncertainty" that is referred to in this resolution. In speaking to the resolution he indicated that he had fully reread the remarks of the minister in the budget speech when the minister explained the nature of the uncertainty that was to be corrected this session.

Although there are only two paragraphs, I do not think it is necessary to read what the minister had to say as reported at page 2332 of *Hansard* of March 20. It was clear that he was attempting to leave no legal uncertainty as to the regulations or the intent of the government with respect to depletion allowances, even though the Home Oil court case may have created some uncertainty in the minds of certain people.

As to the broader argument with respect to depletion that has been advanced by the hon. member for Calgary South, may I say that I have every respect for his broad and special knowledge of the petroleum industry. However, I think he will agree with me that the content of his speech today varies little from the speeches he has made advocating similar policies not only last year but in previous sessions.

All I can say is that last year, on June 2, the Minister of Finance explained government policy with respect to depletion for the petroleum industry. He did that in answer to similar arguments that have been made here by both the hon. member for Calgary South, and the hon. member for Greenwood, who read editorial comment at the time from the Montreal *Gazette*. This comment was in support of an argument such as has been advanced again today by the hon. member for Calgary South.

Now, I think everyone who has spoken on this subject of depletion in the petroleum industry has made reference to the Gordon economic commission. Naturally those who advocate changes in the tax laws with respect to depletion allowances in the petroleum industry have quoted from associations that have come before that commission and advocated something similar to their own views. I am not particularly going to take the other side today, because the Minister of Finance outlined his views last year. He received representations along this line again this year, and came to the conclusion that it was not desirable to change the present law with respect to depletion, except to the extent he mentioned in his budget speech at page 2332 of *Hansard*.

In the meantime, since the last budget we have had the Gordon commission. As I have said, one of the matters about which many representations have been made to the commission is this matter of the depletion allowance in the petroleum industry. The minister came to the conclusion that this year he would not make any changes in the situation with respect to depletion pending some report that might come from this commission. Now, inasmuch as some quotations have been made from briefs presented to this commission, I think it is only fair that I might say there are two views on this subject, just as there are usually on anything else. I myself recently picked up in the press a comment on a submission that had been made by the Bailey Selburn Oil and Gas Company to the Gordon economic commission. They said:

> We believe that aggressive Canadian companies are well able to hold their place and have had a fair opportunity to do so.

I also note that one of our eminent accountants, Mr. J. G. Glassco, made representations to the Gordon commission and presented another view that has not been mentioned with respect to the United States investment, and I think it had a particular bearing on the investments that have been made in the Canadian oil fields. He is reported as having said in his brief:

> The great majority of the recent increase in foreign investment in Canada has come from the United States and the taxation pattern in that country, particularly since 1950, has provided strong incentives to the investment of capital in other countries.
>
> Reenactment of the United States excess profits tax at the time of the Korean war in 1950, and in force until 1953, brought about a situation where

profits taxable at rates as high as 82 per cent could be used to blot up preliminary losses resulting from development of new business. A good deal of such money found its way into Canada, particularly in the case of the petroleum industry.

Mr. Macdonnell: That is what we are arguing.

Mr. Benidickson: My hon. friend may present some aspects of United States tax law that may be more favourable to those engaged in the petroleum industry than might exist in Canada. On the other hand, I would point out to him that there are many features that are of advantage to corporate taxpayers in Canada who are engaged in the petroleum industry that do not apply to somebody similarly engaged in the United States. I refer to the fact that our corporate tax rate is lower than that in the United States. I refer to the fact that the dividend tax credit allowance was introduced in Canada prior to its introduction in the United States. Those are all factors that, of course, are not brought out when the argument is one-sided.

But I do assure my hon. friends that this matter of depletion was again considered this year, and for the reasons I have indicated, particularly because of the economic study, it was not thought any radical changes should be made beyond those that are contained in the budget resolution. I suggest to my hon. friend there is no uncertainty about the limitations contained in that resolution, because they are outlined in the budget speech.

Mr. Nickle: First of all, since the parliamentary assistant has quoted from the Bailey Selburn brief to the Gordon commission, I would say that I happen to have a copy of it here. I did mention in the course of my earlier remarks that a number of Canadian independent companies had been able to go along successfully by the use of devious routes other than the policies laid down by the tax department. Bailey Selburn is one of those which have been notably successful by the use of methods outside the tax policy which I mentioned in my remarks.

The Bailey Selburn brief to the Gordon royal commission, after pointing out that they had been able to succeed by other means than the tax policy in Canada, came out very strongly in favour of amending the Canadian tax laws. Their final submission to the Gordon commission was this:

> It is our opinion that amendments should be made in taxation regulations to permit:
> (a) A fair deduction for depletion of reserves on a gross production basis;
> (b) That lease costs be allowed as write-offs;
> (c) That moneys expended in drilling and exploration be deductible items for individuals and businesses in Canada where losses occur.

In other words Bailey Selburn, the outfit you have mentioned, joined with the rest of the industry in suggesting a change in the depletion laws.

The parliamentary assistant has said that since we have the Gordon commission and the Gordon commission is receiving a great many briefs on this subject and is going to come to some conclusion in the near future, perhaps we should not bother changing our policy on depletion now. Would it not be best, sir, to drop this amendment altogether and let the depletion law of Canada be that which the Supreme Court of Canada decided in the Home Oil case was the intention of parliament back in 1949? In other words, let us have in Canada well by well depletion, as the supreme court said was the intention of parliament in that Home Oil case.

Mr. Benidickson: Would my hon. friend say that has been the law since the regulation of 1951?

Mr. Nickle: The parliamentary assistant refers to the amendments made in 1951, which the minister now wishes to alter in order to avoid the chance that the Supreme Court of Canada will rule the 1951 amendment has exactly the same intent as the 1949 amendment. In other words the department obviously feels the Supreme Court of Canada will rule that in the amendment of 1951 parliament intended well by well depletion, and not this present policy of the department which rules that if you are going to spend money on exploration you cannot have depletion.

I would strongly suggest, sir, that we drop the amendment altogether and leave the law as it stands until we get a recommendation from the Gordon royal commission. In his answers last June 2, the Minister of Finance stated that a change in the depletion law was not necessary because we did not have a capital gains tax in Canada which, I presume, was one of those advantages under Canadian law that did not apply under United States tax law, where a capital gains tax does exist.

Sir, would the parliamentary assistant please explain to me how the absence of a so-called capital gains tax in Canada offers any benefit to the company whose purpose is to go out to explore for, develop and produce oil and gas? Surely the parliamentary assistant is not suggesting that the Canadian oil company makes its profit out of production by spending its money for exploration, then developing production and selling it presumably to the Americans or to anyone else, in order to realize a profit on production that it cannot realize under the existing tax policy of his department.

Mr. Benidickson: As to the latter point, Mr. Chairman, the reference to capital gains, of course, is a broad reference. My hon. friend did advance the argument that Canadians were discouraged from making investments, and particularly in their resources, because of discouraging tax laws. Certainly the absence of a capital gains tax in Canada is of advantage to investors in the natural resources of the country.

Mr. Macdonnell: It may be that I emphasized too much the wording of paragraph 3, but I did think there had been certain recent events which possibly create a situation where this thing might have another look taken at it. I am not going to pursue the argument today. Indeed, my argument is that we are not in a very good position to pursue the argument today. My thought was that in view of the representations recently made to the minister, a situation might have been created where a new look could have been taken at this. Instead of having to debate merely the removal of uncertainty from 1956 on—perhaps the parliamentary assistant will explain the situation with regard to the intervening years—I had hoped that it indicated a somewhat broader approach to the question, and that we might therefore ask to have paragraph 3 held, as the excise resolutions are being held, with the hope that it might be debated on a somewhat different basis and not merely as a question of removing uncertainty.

Mr. Benidickson: My hon. friend knows there is no relationship so far as the statutes are concerned and the presentation to this house of the Excise Tax Act and the Income Tax Act. This is the last paragraph of the resolution with respect to the Income Tax Act, and the two statutes are dealt with by the house quite independently.

Mr. Hamilton (York West): Before the paragraph carries I cannot help but add my voice to the submission made by the hon. member for Calgary South, in connection with his last remark. Certainly the resolution indicates that it is going to remove uncertainty, but it will obviously remove it definitely to the benefit of the department and not of the taxpayer. It seems to me the least that should be allowed here would be the continuation of the rule as laid down in the Home Oil case, and the taxpayer might be able to risk the chance of an unfavourable decision in the ensuing years, or until such time as the department might make up its mind as the result of submissions to the Gordon commission. When you read about removing the uncertainty it sounds very much as if it is giving some benefit to the taxpayer, and I cannot see that taking place.

The Deputy Chairman: Shall the resolution carry?

Mr. Nickle: I should like to repeat one request to the minister; I am happy to see he is back in the house. In view of the fact that the Gordon royal commission has made, among other things, an extensive study of Canadian tax policy as it applies to natural resources industries, including oil, and recognizing the fact that the Gordon commission will be bringing in its report sometime in the next few months, would he consider withdrawing his resolution calling for an amendment to the depletion regulations until after the Gordon commission recommendations are available? In other words, let the definition of depletion allowance made by the Supreme Court of Canada in the Home Oil case stand rather than try now, perhaps for just a short time pending the Gordon commission report, to amend what the Supreme Court of Canada believed was the firm intention of parliament back in 1949.

Mr. Harris: Mr. Chairman, I hope my presence or my answer will not be taken in any sense as disagreeing with anything the parliamentary assistant has said. I have heard part of what he said from time to time; I am quite satisfied with it. The hon. member for Calgary South ought to bear in mind that what we are doing here is restoring what we consider is government policy. We are not going further than that. We are merely putting government taxation back to where we thought it was before the Home Oil decision was given. Therefore to that extent he ought to be content.

If the Gordon commission makes a recommendation I am sure it will receive careful consideration. In fact I will go further and repeat what I am sure the parliamentary assistant has already said. I assured the members of this business, when they saw me two weeks ago, that the whole subject which I know is under discussion at the moment, would be considered again before the next session of parliament; but it was on the assumption that by that time the Gordon commission would have reported. If it does not, it will be given another consideration. I think my hon. friend ought to accept the situation that the government would at this session put the law back to what it thought it was, and leave the major decision as to whether there ought to be a change for full consideration which could not be given at this time.

Mr. Nickle: Mr. Chairman, I gather then the decision is going to be something like this.

With regard to depletion for the production years 1949 and 1950 we have the definition of the Supreme Court of Canada of depletion policy which will apply. For the years 1951 to 1955, inclusive, we have the definition of depletion very much in doubt, in as much as so far no assessments have been made on oil companies for those years, and therefore it has not been possible for oil companies to appeal to the courts for a definition of depletion as applied by the tax department for those years. For 1956 we will have presumably a new clear-cut definition of government policy on depletion, but it may be that in 1957 we shall have still a fourth policy based, I hope, upon recommendations to be made by the Gordon commission. We would then have at least three different depletion policies; one certain, 1949 and 1950; one uncertain, 1951 to 1955; and 1956, certain, presumably; and after 1956, most uncertain. Would it not be best in that interim period of 1956 to leave the law as it has been defined by the supreme court and then, after getting the Gordon commission report, review the matter next year?

Mr. Harris: I am sure if the outcome were as indicated all those gentlemen who saw me two weeks ago would be very happy, because they would feel that by 1957 they had achieved as much as possible of what they had been arguing for for some time and they would not be objecting to that as an outcome. However, I think I should say no to my hon. friend's final question. I do not think it would be well to leave it. I think we ought to go on as we have heretofore, and if the lawsuits which I anticipate yield results for the period since 1951, well and good. If they do not, then the law may perhaps be changed in the light of any decisions we may make after reading the Gordon commission report.

I know it would be the act of a lazy man to follow the advice of my hon. friend and leave things as they are, but I think it ought—

Mr. Nickle: Not a lazy man, a fair man.

Mr. Harris: That is a matter of consideration, but I think we should put it back to where it was and consider it another year.

Mr. Nickle: Sir, one last remark, since the minister is now back. I would like to say something by way of congratulation that I did not say earlier during his absence. I would like to express my appreciation of the minister's acceptance of the fact that the principle of retroactive legislation would be highly dangerous. I am most happy that he has acceded to the request of chambers of commerce and other bodies not to impose the retroactive feature on this depletion allowance.

Resolution agreed to.

CUSTOMS TARIFF

The Deputy Chairman: The committee will now proceed to a consideration of the customs tariff resolutions. The first deals with schedule A to the customs tariff.

Mr. Macdonnell: As the minister stated in his speech, the changes are not too far-reaching. I wonder if the parliamentary assistant or the minister would make a few observations. There are a few changes, some of which on the face of it require some explanation. For example, I notice the second one, No. 137a, appears to involve a considerable increase and that appears unusual.

Mr. Benidickson: Mr. Chairman, it has been our practice to have you call the tariff items one by one as they appear in the ways and means resolutions which were presented on budget night, March 20, and to which the hon. member for Greenwood has referred by quoting the number of one of the items up for tariff treatment change.

For the convenience of hon. members I might again briefly indicate a method that would be helpful in examining the changes that it is proposed to change legislatively in this way. Generally speaking, a change is indicated by italicized printing. Sometimes italics are not shown in the resolutions because an elimination of words may be involved, in which case that method of scrutiny would not be possible.

We also have two columns. One of which shows the proposed rates that would be effective based on these proposals, and then alongside of this column there is a column showing the rates in effect prior to the rates proposed in this budget.

I think, Mr. Chairman, you could perhaps call the items. I shall be glad to comment upon any item on which hon. members want a special comment when called upon to do so.

The Deputy Chairman: Subject to the approval of the committee, then, for the purpose of discussion I propose to call the marginal numbers of the items as they appear and hon. members will stop me when they reach an item which they wish to discuss. The first item we shall deal with is item No. 13a.

Item 13a agreed to.

Customs tariff—137a. Molasses powder without admixture or mixed only with any necessary anti-caking agent, per one hundred pounds: British

preferential tariff, 35 cents; most favoured nation tariff, 45 cents; general tariff, 50 cents.

Mr. Macdonnell: Will the parliamentary assistant make a comment on the change there?

Mr. Benidickson: My hon. friend will recall that last year we had a very extensive tariff revision of molasses and related sugar items. It does happen that this particular item, molasses powder, was not provided for in last year's statutes. It had been a distinct item previously. The amount of imports is very inconsequential; I think imports amount to only $2,000 a year. The proposed item re-establishes the rates of duty which applied to molasses powder prior to last year, when molasses powder was not provided for as a distinct item in the molasses group.

Item agreed to.

Item 172 agreed to.

Customs tariff—206c. Bottles; tubes, bail bands, labels, corks, stoppers or other closures, for use with bottles, whether or not assembled into units partially filled with anticoagulating solutions or not; filters, drop counters, clamps; all of the foregoing, when imported to be used exclusively for the collection, preparation, storage, transportation or administration of human blood (whether whole or in the form of liquid or dry serum or plasma) and extenders or substitutes therefor; component materials to be used exclusively in making the foregoing articles, anti-coagulating solutions and extenders or substitutes: British preferential tariff, free; most favoured nation tariff, free; general tariff, free.

Mr. Macdonnell: Why is that in at all when there seems to be no change whatever?

Mr. Benidickson: This is a matter of punctuation. A semi-colon has been placed after the word "bottles" instead of a comma.

Mr. Nowlan: There should be a full stop after bottles.

Item agreed to.

Items 219d, 276g, 279, 288b, and 326e agreed to.

Customs tariff—326m. Articles of glass, not including plate or sheet or machine-made tumblers, to be cut or mounted, when imported by manufacturers of cut or mounted glassware, for use in the manufacture of such glassware in their own factories, under such regulations as the minister may prescribe: British preferential tariff, free; most favoured nation tariff, free; general tariff, 32½ per cent.

Mr. Macdonnell: May we have a word on that?

Mr. Benidickson: My hon. friend I think knows there was a tariff hearing with respect to certain items of glassware and which altered tariff classifications. Following that decision the previously existing rates were provided by temporary items. This now proposes to make the temporary item statutory.

Item agreed to.

Items 326n, 372 and 376a agreed to.

Customs tariff—390. Castings, of iron, malleable, in the rough as from the moulds, n.o.p.: British preferential tariff, 15 per cent; most favoured nation tariff, 25 per cent; general tariff, 27½ per cent.

Mr. Benidickson: Mr. Chairman, with respect to tariff item 390 I am proposing an amendment to the resolution as it appears on our resolution sheet. Items 390a and 390b cover iron and steel castings. In the budget resolutions the words, "in the rough as from the moulds" were added to these items. This change was made for clarification purposes only; no change in duties was intended.

Since the budget it has been brought to our attention that, because of the words "as from the moulds", castings from which excess metal has been removed or which have been heat-treated or repair-welded will no longer qualify for entry under these items. It is therefore proposed that the words "as from the moulds" be dropped.

In the interest of simplification, the three items are being amalgamated under one number by virtue of this amendment. I wonder if the Minister of National Revenue would move that amendment.

The Deputy Chairman: Mr. McCann moves:

That resolution No. 1 of the budget resolutions relating to the customs tariff be amended by deleting therefrom items 390, 390a and 390b and by substituting therefor the following:

Customs tariff—390. Castings, of iron or steel, in the rough, n.o.p.: British preferential tariff, 15 per cent; most favoured nation tariff, 25 per cent; general tariff, 27½ per cent.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall the item as amended carry?

Some hon. Members: Carried.

Item as amended agreed to.

The Deputy Chairman: We proceed to item 402g.

Mr. Benidickson: I wish to say a word concerning item 390a.

Customs tariff—390a. Castings, of iron, non-malleable, in the rough as from the moulds, n.o.p.: British preferential tariff, 15 per cent; most favoured nation tariff, 25 per cent; general tariff, 27½ per cent.

Mr. Benidickson: Mr. Chairman, on new item number 390a the only change is the deletion of the words, "as from the moulds".

The object is to bring the wording of this item into line with the wording of tariff item 390.

The Deputy Chairman: I am of the opinion that the committee just adopted an amendment affecting items 390, 390a, and 390b.

Mr. Benidickson: When an item number is eliminated, Mr. Chairman, there is an opening in the tariff schedule for a new item of the same nomenclature and this would be a new item 390a. We are utilizing the (a) category under 390 afresh.

The Deputy Chairman: Mr. McCann moves:

That resolution No. 1 of the budget resolutions relating to the customs tariff be amended to provide for the further amendment of schedule A by striking out tariff item 390c, the enumeration of goods and the rates of duties of customs set opposite the said item and by inserting the following item, enumeration and rates of duty in schedule A:

Customs tariff—390a. Piston ring castings of iron or steel in the rough: British preferential tariff, free; most favoured nation tariff, free; general tariff, 27½ per cent.

Item agreed to.

Item 390b agreed to.

Customs tariff—402g. Welded netting, of iron or steel, coated or not, made from wire of seventeen gauge or heavier, with meshes not smaller than one-half inch by one-half inch and not larger than two inches by two inches, when for use exclusively on fur farms, under such regulations as the minister may prescribe: British preferential tariff, 12½ per cent; most favoured nation tariff, 20 per cent; general tariff, 35 per cent.

Mr. Macdonnell: I notice the British preference there is reduced from 17½ per cent to 12½ per cent. Are we perfectly free with regard to that now? Is there any question raised as to our right to increase the British preference?

Mr. Benidickson: We are free with respect to this item.

Mr. Macdonnell: I wonder if the answer could be given in somewhat broader terms?

Mr. Benidickson: Well, Mr. Chairman, there has been an item in the tariff specially for woven netting at 20 per cent most favoured nation. Representations have been made by fur farmers that they are now using welded netting and that it should be treated in the same manner as the woven netting for use by fur farmers.

Item agreed to.

Customs tariff—409f. Automatic stock watering devices; barn hay forks, carriage, pulleys and track; barn litter carriers and track; grain crushers; grain or hay dryers; grain or hay grinders; grain loaders; elevators (other than storage elevators); hitches and couplings; hydraulic hoists for unloading vehicles; land levellers; machines and tools for use on tractors, including blades, loaders, rippers, rakes, and related operating and controlling gear; milk coolers; sodium metabisulphite; sprinkler irrigation systems; steel stanchions for confining livestock either in pens or individually, and complete equipment for milking parlors; all the foregoing for use on the farm for farm purposes only; brooders for rearing young farm animals; ensilage cutters; fodder or feed cutters; hay loaders; hay tedders; post hole diggers; potato diggers; potato planters; snaths; stumping machines; all other agricultural implements or agricultural machinery, n.o.p.; parts of all the foregoing: British preferential tariff, free; most favoured nation tariff, free; general tariff, free.

Mr. Barnett: I may not be correct in rising at this point and the parliamentary assistant may have referred already to the matter on which I want some information. Item 409f contains a long list of farm equipment to be admitted duty free. At the end of the item it is stated:

All other agricultural implements or agricultural machinery, n.o.p.; parts of all the foregoing.

I intended to rise on this item to refer to the position in which the chinchilla breeders of British Columbia find themselves. I have a letter from the Vancouver island branch of the chinchilla breeders in which they ask for the removal of the 25 per cent duty and the 10 per cent sales tax on wire imported for use in chinchilla cage construction. I presume from that letter that for some reason or other the chinchilla breeders are not being classed as farmers in connection with the supplies they import.

Mr. Benidickson: I believe my hon. friend is dealing with item 402g. Again what has been done is simply to put welded and woven netting on the same basis when used in connection with fur farming.

Mr. Barnett: That will meet the request made by the chinchilla breeders, will it?

Mr. Benidickson: No, not if the request was for the complete elimination of the duty. If the rate was 25 per cent it referred to welded netting. The duty has been lowered on welded netting to 20 per cent so both welded and woven netting will be treated equally. There is a reduction on the welded item from 25 per cent to 20 per cent. Both types of netting will have the same tariff rate now.

Item agreed to.

Items 409t and 409u agreed to.

Customs tariff—409v. Steel wall sections, with or without doors incorporated therein, for the construction of steel silos for storing ensilage: British preferential tariff, 10 per cent; most favoured nation tariff, 17½ per cent; general tariff, 25 per cent.

Mr. Benidickson: There is an amendment to the budget resolution as proposed, and I would ask the Minister of National Revenue to move this amendment.

Mr. McCann: I move:

That resolution No. 1 of the budget resolution relating to the Customs Tariff be amended by deleting therefrom item 409v and by substituting therefor the following:

"409v—Roofs, chutes, ladders, wall sections with or without doors incorporated therein, materials and parts; all of the foregoing, of metal, for the construction or repair of silos for storing ensilage: British preferential tariff, 10 per cent; most favoured nation tariff, 17½ per cent; general tariff, 25 per cent.

Amendment agreed to.

Items 410t and 410w agreed to.

Customs tariff—425a. Power lawn mowers, whether or not containing the power unit: British preferential tariff, 10 per cent; most favoured nation tariff, 15 per cent; general tariff, 32½ per cent.

Mr. Benidickson: There is an amendment here. In the budget resolutions it was proposed that the wording of the existing item be amended to read "power lawn mowers" which is the same wording used in tariff item 425b. It was not intended that there should be any change in the rates of duty. Since the budget it has been drawn to our attention that lawn mowers designed to be drawn or pushed by tractors which were eligible for entry under the former wording of the item "lawn mowers designed for use with motive power" will not be eligible for entry under the proposed wording "power lawn mowers". The proposal now is to delete this item.

Mr. McCann: I move:

That resolution No. 1 of the budget resolutions relating to the Customs Tariff be amended by deleting therefrom tariff item 425a.

Amendment agreed to.

Customs tariff—425b. Air-cooled internal combustion engines of greater than one and one-half horse power rating, and parts thereof; parts of power lawn mowers; all the foregoing for use in the manufacture or repair of power lawn mowers: British preferential tariff, 10 per cent; most favoured nation tariff, 15 per cent; general tariff, 32½ per cent.

Mr. Macdonnell: I notice there is an increase in the case of the general tariff; could that be explained?

Mr. Benidickson: This proposed tariff item would incorporate two temporary tariff items covering engines and parts of power lawn mowers. It is a tidying-up operation.

Mr. Macdonnell: What interests me is that whereas most of the items show the same rates or a downward revision, apparently this one is upward from 30 per cent to 32½ per cent.

Mr. Benidickson: You refer to rates under the general tariff only. The explanation is that we are providing the same rates for the two amalgamated items. There are no imports in fact, though, under the little utilized general tariff.

Item agreed to.

Items 428g, 437b, 442, 443, 445m and 446j agreed to.

Mr. Benidickson: As the result of a tariff board declaration dated since budget night, namely April 6 this year, tools which have been made to fit specific machines or specific attachments will no longer be classified under the item covering tools, but instead they will be classified as "parts" of such machines or attachments. This will have the effect of reducing the duty on many of these tools which are of a class made in Canada from 22½ per cent to 7½ per cent.

The wording of the new item makes it clear that these tools, even though they may be made for use in particular machines or particular attachments, will be dutiable at 22½ per cent under the most favoured nation tariff if they are of a class made in Canada. Only with respect to such tools of a class not made in Canada will the duty be 7½ per cent.

Mr. McCann: I move:

That resolution No. 1 of the budget resolutions relating to the Customs Tariff be amended to provide for the further amendment of Schedule A by striking out tariff item 446k, the enumeration of goods and the rates of duties of customs set opposite the said item and by inserting the following item, enumeration and rates of duty in Schedule A.

"446k—Tools, wholly or in part of iron or steel, for use in machines or in attachments or accessories therefor, including those made for use in a particular machine or in a particular attachment or accessory therefor:

(1) Of a class or kind made in Canada: British preferential tariff, 10 per cent; most favoured nation tariff, 22½ per cent; general tariff, 35 per cent.

(2) Of a class or kind not made in Canada: British preferential tariff, free; most favoured nation tariff, 7½ per cent; general tariff, 35 per cent."

Amendment agreed to.

Items 462c, 462d, 476b, 476c and 478 agreed to.

Customs tariff—549a. Wool, not further prepared than scoured: British preferential tariff, free; most favoured nation tariff, free; general tariff, free.

Mr. Macdonnell: I take it that this covers the importation of wool in the raw. Would that be for use in manufacturing and will it be of assistance to the textile industry? Also, does it come in in any bulk?

Mr. Benidickson: Since 1950 the duty on wool in this item has been free under a temporary item and it is now proposed to make the item statutory.

Mr. Macdonnell: Since when has it been duty free? According to this it has been 25 per cent under the general tariff.

Mr. Benidickson: My hon. friend must look at the most favoured nation tariff, which is really the operating item, and he will see that it was free in the right-hand column.

Mr. Macdonnell: I am still a little puzzled. As I look straight across I find the items are free, free, free, and then 15 per cent under the British preferential, and then below it is free, free and free.

Item agreed to.

Customs tariff—597d. Harpsichords: British preferential tariff, 5 per cent; most favoured nation tariff, 7½ per cent; general tariff, 30 per cent.

Mr. Herridge: What is the reason for the drop in this rather intriguing item? Are harpsichords imported in large numbers?

Mr. Benidickson: I understand that it is coming into use as a musical instrument to a greater degree. It is not manufactured in Canada, and it was felt that the duty should be lowered.

Mr. Macdonnell: Just as a matter of curiosity, where do they come from?

Mr. Benidickson: I understand from European countries such as France and Germany, and to some extent from England.

Mr. Herridge: Were representations made for a reduction?

Mr. Benidickson: Yes, that is the usual precedent to an action of this kind.

Item agreed to.

Mr. Benidickson: I have two amending motions.

Mr. Knowles: Six o'clock.

Mr. Benidickson: We are just about finished. Item 618b introduces a new item not referred to in the printed resolutions. Because of a change in the administrative practices of the customs department which took place early this year, certain tires and tubes previously dutiable at 22½ per cent under the most favoured nation tariff are now classified as parts under end use tariff items which carry rates of duty as low as 7½ per cent.

Mr. McCann: I move:

That resolution No. 1 of the budget resolutions relating to the customs tariff be amended to provide for the further amendment of schedule A by striking out tariff item 618b, the enumeration of goods and the rates of duties of customs set opposite the said item and by inserting the following item, enumeration and rates of duty in said schedule A:

[Mr. Benidickson.]

618b—(1) Tires and tubes, wholly or in part of rubber, for equipment of the agricultural implements and agricultural machinery specified in tariff items 409b, 409c, 409d, 409e, 409f, 409h, 409j, 409l, and the tractors provided for in tariff item 409m . . . British preferential tariff, free; most favoured nation tariff, free; general tariff, free.

(2) Tires and tubes, wholly or in part of rubber . . . British preferential tariff, 20 per cent; most favoured nation tariff, 22½ per cent; general tariff, 35 per cent.

Amendment agreed to.

Mr. Blackmore: Mr. Chairman, is there an understanding that we are going to go overtime tonight? We want to be in on it if there is. It is now four minutes after six.

Mr. Harris: Mr. Chairman, I think we only have two or perhaps three items left and, unless there is going to be a debate on them, I would appreciate it if we could deal with them tonight.

Item 696f agreed to.

Mr. Benidickson: There is another addition to be made here and it will be numbered item 695c. The Minister of Finance has received some representations that we should facilitate the opportunity to import sculptures of importance and value in a somewhat similar way that we have enabled paintings to be brought into the country. Individual items must first of all receive endorsation as to their quality and desirability from the director of the national gallery.

Mr. Macdonnell: 695c?

Mr. Benidickson: This provides a new item. It is also an additional item to those printed in the resolution.

Mr. McCann: I move:

That resolution No. 1 of the budget resolutions relating to the customs tariff be amended by inserting therein the following item, enumeration of goods and rates of duty:

695c—Original sculptures, or replicas made therefrom, when certified by the director of the national gallery of Canada as being of a cultural character: British preferential tariff, free; most favoured nation tariff, free; general tariff, free.

Amendment agreed to.

Item 700 agreed to.

Resolution No. 1 as amended agreed to.

Mr. Benidickson: With respect to resolution No. 2, I think I can satisfy the house very quickly that this requires simple amendments of the French text. The first item is tariff item 328a. This merely rearranges the French words to read in the same sequence as in English. The English text is "parts, unfinished, for the manufacture of spectacles and eyeglass frames". The words were not put in that

sense and order in the French text and it is proposed to make the French text identical with the English in the arrangement of the words.

With respect to items 386h and 389d it is an obvious matter of a misprint, and I will give examples. For instance, the French spelling of one word is wrong in item 386h and in item 389 the figure should be ·4 instead of ·04. With respect to resolution No. 3, in the French version it now reads "or" and it should read "and" as in the English version.

Resolutions Nos. 2 and 3 agreed to.

Mr. Macdonnell: Resolution No. 3 amends schedule C to the French version by striking out item 1215 and by inserting something else. That has not been explained.

Mr. Benidickson: I have provided the explanation.

Mr. Macdonnell: I was one step behind you.

Resolutions Nos. 4 and 5 agreed to.

Resolutions reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall take the branch line C.N.R. bill first and then the estimates of the Department of Agriculture.

Mr. Green: Can the minister tell the house what the business will be on Friday?

Mr. Harris: We will have estimates. We will continue with agriculture if the items are not all carried tomorrow, and after that we will probably take transport. However, I will inform my hon. friends about that.

It being eight minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

Question

ANSWER TO QUESTION

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

COUNCIL OF HEALTH MEETING—HOSPITAL INSURANCE

Question No. 481—**Mr. Brown (Brantford):**

At the recent meeting of the dominion council of health, did the Minister of National Health and Welfare discuss with the provincial representatives present the federal proposal on hospital insurance?

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

As the dominion council of health is largely made up of technical officers of the federal and provincial health departments it is not in a position to deal with matters of policy that are under study by the governments concerned. However, the Minister of National Health and Welfare did take advantage of the opportunity presented by the recent meeting of the dominion council of health to indicate to the provincial representatives present the importance which the government attached to the recent federal proposal respecting hospital insurance and laboratory and radiological diagnostic services.

HOUSE OF COMMONS

Thursday, May 10, 1956

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

GOVERNMENT NOTICE OF MOTION APPEARING ON TODAY'S ORDER PAPER

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I rise to speak to a point of order. I note that a notice of motion which was under discussion yesterday is on today's order paper. Without repeating in detail any of the arguments which were presented yesterday—

Mr. Speaker: Before he proceeds further, may I point out to the Leader of the Opposition that his point of order can properly be raised when we reach the item in question. At this moment the routine proceedings must be gone on with. He can raise his point of order when I call the item "Government Notices of Motion".

Mr. Drew: Mr. Speaker, without debating what you have just said, I would point out that this subject was under discussion yesterday; that there was an extended argument about the effect of the rules with regard to having before the house two motions of the same nature at the same time in the name of the same member; and that the matter stood over. It will not be possible, I submit, in the ordinary calling of the motion to discuss the point of procedure which was raised yesterday. I would submit with deference that it would be satisfactory that the question of procedure be dealt with at this point because, when the motion is called, we shall then be dealing with another matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I might make a comment?

Some hon. Members: Oh, oh.

Mr. Knowles: As a matter of fact, Mr. Speaker, I rose to support your suggestion as to when we should deal with this matter. Although I may disagree with your ruling yesterday which put this motion on the order paper, you made the ruling and it is there. But as I indicated yesterday, when we reach the point where you are asked to put the motion to the house it is my intention to raise the point of order that this question should not be put to the house. I would hope that the Leader of the Opposition (Mr. Drew) might support me on that point of order when I raise it.

Mr. Drew: Mr. Speaker, in order that there may be no doubt about it, may I say that there will be no question about our supporting the hon. member. I trust that he will support us in the stand that we will take at that time. However, I was pointing out to Your Honour that there is a question of procedure which has been under discussion and which will not, I suggest, be subject to discussion in the same way at the time the motion is called. In view of the fact that Your Honour had this matter under advisement and of the fact that the motion now appears on the order paper, I would again submit for your consideration the advisability, for the purposes of record, of dealing with this question as to whether the two motions should be on the order paper. Then, when the matter comes forward as a motion, we can deal with it on the other grounds.

Mr. Speaker: I cannot rule on a point of order in anticipation. The hon. member knows that, according to standing order No. 15, we must adhere to the order paper, and my duty today is to call the routine proceedings. When we come to government notices of motion, then that is the proper time for hon. members to rise on the point of order if they so wish. I submit that at this moment it is my duty to proceed with the other items on the routine proceedings.

CRIMINAL LAW

CAPITAL AND CORPORAL PUNISHMENT—ARTICLE IN OTTAWA "CITIZEN"

Mr. D. F. Brown (Essex West): I wish to rise on a question of privilege, Mr. Speaker. The joint committee on capital and corporal punishment and lotteries has been holding sessions in camera for the purpose of considering a report to both houses of parliament. In the Ottawa *Citizen* of May 8, 1956, there appeared an article headed, "Abolition of Prison Lash Urged by House Committee", which quoted from a confidential document circulated amongst the members of the committee for study and consideration.

While there is no intention of pursuing the matter further, it is my duty to point out that the article in question did not quote

the various alternatives set forth in the confidential document, and therefore has tended to mislead the public as no decision has been reached by the committee on these alternatives, nor has any report been made in connection therewith to either house.

PUBLIC ACCOUNTS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Charles Cannon (Iles-de-la-Madeleine) presented the second report of the standing committee on public accounts, and moved that the report be concurred in.

Motion agreed to.

LABOUR CONDITIONS

RAILWAYS AND NON-OPERATING UNIONS—STATEMENT BY MINISTER

Hon. Milton F. Gregg (Minister of Labour): In view of the request made yesterday and the interest that has been shown by a great many members of the house, and also because of the fact there may be some delay before we reach orders of the day, I should like to make the report I promised yesterday. It is in the form of a message received by the Minister of Labour at 12.25 p.m. today containing a joint statement issued by the railways and the unions regarding the railway dispute. This was reported as being given to the press by the parties within the next hour. I shall quote it as follows:

> Although the meeting held on Tuesday, May 8th, at the request of the Minister of Labour made no progress towards a settlement of the dispute the railways and the 15 non-operating unions, having in mind their responsibility for maintaining uninterrupted railway service to the Canadian public, have arranged for a further meeting tomorrow for the purpose of entering into an agreement implementing the terms of settlement recommended by the board of conciliation notwithstanding that both parties disagree with some of the principles underlying that report.

I have nothing to add, except to say that, on behalf of the Department of Labour, the Canadian government and, I think, every hon. member of this house I express congratulations and appreciation to the two parties to this pending settlement for their patience, perseverance and patriotism. I say patriotism advisedly because I know that, in all the consideration of this dispute by the two parties, the public welfare and the national interest have been paramount as they always must be in free collective bargaining in Canada.

Commendation is due to the board of conciliation for being successful during the long hearings last winter in finding ground on which both sides can now get together.

[Mr. Brown (Essex West).]

BUSINESS OF THE HOUSE

GOVERNMENT NOTICE OF MOTION APPEARING ON TODAY'S ORDER PAPER

Mr. Speaker: Government notices of motions. Before hon. members rise may I take up the point where I left off yesterday. I quote from *Hansard* at page 3726, where I said:

> Now, I offered earlier to delay the judgment in this case until tomorrow. Hon. members have indicated that they wanted to have a ruling now. I have given my ruling and I think we have had a discussion of sufficient length. I will say this to hon. members. If after reading *Hansard* tomorrow morning and after consulting with the Clerk there is any reason why something should be done in order to remove the resolution from the order paper, I will see to it that that action is taken. But if, on the other hand, after carefully reading all the arguments that have been put forward and all the authorities that have been cited and after discussing the matter fully with the Clerk and his assistants I have to come to the same conclusion that the matter may still be considered by the house, then it will be on the order paper tomorrow.

Now, immediately after the termination of the discussion yesterday I asked the Clerk to prepare a written opinion on the matter. As hon. members know, I left the chair at some time after four o'clock yesterday afternoon, and I must admit that I did not have as much time as I would have liked to consider the points that have been raised. There are many witnesses who can testify as to where I was last evening, and I want to say that, like all those who were there, I found the evening most enjoyable. This morning it was my pleasure and privilege to meet two groups, one of students and another of members of a very well known service club in Montreal, and I received other persons. Therefore, I have not had very much time, but the Clerk, fortunately for us, has spent most of his time since four o'clock yesterday afternoon on the matter, and he gave to me around one o'clock this afternoon the following opinion:

> Dear Mr. Speaker:
>
> With reference to the proceedings on the government notice of motion respecting the Northern Ontario Pipe Line Corporation, the following observations are submitted for your consideration.
>
> On Tuesday, May 8, the new notice was received from the right hon. Minister of Trade and Commerce, and as is usual in every case, I carefully considered the matter before I authorized the printing of the new notice at the back of the *Votes and Proceedings*.
>
> The new measure contained provisions not provided for in the original resolution and since it would not be in order, without unanimous consent, to propose the new provisions as amendments to the initial resolution in committee of the whole, the second resolution, in my opinion, presented a new proposition.
>
> In regard to the moving of amendments to a money resolution, May's fifteenth edition, page 750, states:

"Accordingly, in this case the committee's power of amendment is strictly limited to reduction of the demand thereby made. This limitation on the power of proposing amendments applies equally to ministers of the crown as to unofficial members"—

There is no rule that I know of which prohibits the presentation of two money resolutions relating to the same subject and containing different provisions. In the second session of 1945, two resolutions relating to the Senate and House of Commons Act were on the order paper at the same time. The resolution, presented secondly, was adopted in committee of the whole and, subsequently, the order for the consideration of the one first presented was discharged. (See *Journals*, 1945, second session, p. 481).

There are several cases where money resolutions have been amended by means of supplementary resolutions before the consideration of the initial resolution was undertaken in committee of the whole. For examples of such amendments see *Journals*, 1926-7, pp. 213-15; also 1932-3, p. 431; also 1945, second session, p. 370; also 1951, first session, p. 322. On the other hand, an extensive search of the *Journals* has failed to produce a precedent wherein a supplementary resolution has been introduced to amend a resolution which had been partially considered in committee of the whole.

It is my contention that a money resolution is an integral and inseparable part of a money bill and that the stages of such bills include any necessary financial resolutions. May's fifteenth edition, page 503, in a paragraph entitled "Synopsis of Stages of a Bill", states that "such stages may be taken to include the stages of any necessary financial resolution".

At page 487 of the same authority, it is also stated:

"A certain class of bills, the main object of which is the expenditure of money or the imposition of taxation, must, in accordance with the requirements of the standing orders regarding charges on the people, originate in committee of the whole house".

Beauchesne's third edition, citation 433, in part, reads as follows:

"All bills providing for the payment of salaries or for any expenditure whatever out of the public funds of the dominion must be first considered as resolutions in committee of the whole" . . .

Consequently, in my opinion, a money resolution is subject to the principle which permits the presentation of two or more bills relating to the same object, provided that when a decision is rendered upon one proposal, the other measure cannot be proceeded with.

In the fifteenth edition of May at page 499, it is stated:

"There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions. But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions" . . .

Bourinot at page 548 of his fourth edition states:

"Whilst a bill is still pending, and until it is completely disposed of, there is nothing whatever to prevent another bill for the same object being introduced" . . . No objection can be raised to the introduction of a bill into the House of Commons on the ground of there being a similar bill already before the house.

It is the rejection and not the pendency of a bill that creates a difficulty as to the ulterior proceedings" . . .

The memorandum concludes:

In view of the foregoing, it is my duty to recommend that the notice of the proposed new resolution be printed as a government notice of motion on Thursday's order paper.

Respectfully submitted,
Leon J. Raymond,
Clerk of the House.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I submit that in connection with the proceedings before us we have covered the ground fairly fully. There may be many added arguments to be put forward but I would point out that what happens in this case is in effect an amendment to a motion already before the house and under debate.

Whatever may be the form, the fact is that the core of the new motion now put on the order paper is precisely the same; that is, to set up a crown corporation.

The new motion adds certain additional powers or rather proposes that certain additional powers shall be given to the crown corporation, but basically it is a motion to set up a crown corporation for a particular purpose.

I submit, Mr. Speaker, that the precedents have already been stated that the position is clear that you cannot achieve by indirection what is not permitted by a direct course. In this case it is not possible to amend except by the procedure laid down, as you pointed out yesterday.

I submit that in this case the net result is to permit an amendment rather than a completely new motion, if this motion is actually permitted to stand on the order paper.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, the point I wish to take up at first is the point which you yourself mentioned as your first point in the course of the reading of the memorandum from the Clerk.

In discussing this memorandum and the decision made I want to make it quite clear that we are addressing our remarks to Your Honour. As I understand it you have made your decision on the matter as your own decision.

You referred first to a citation in May's fifteenth edition at page 750 in which the question of amending or altering a money resolution was being discussed. You relied upon that portion of the paragraph on page 750 to establish the proposition that it was perfectly within the powers of the house or committee to amend such resolution, although the powers were limited. The extraordinary thing about your ruling in so far as it is based upon that citation is that you stopped

at the very point at which, had you proceeded, you would have found that May entirely supports our proposition. Therefore I think I should read the whole paragraph, which is as follows:

> Under the method prescribed by S.O. No. 84, the resolution which has received the King's recommendation is the resolution actually considered by the committee. Accordingly, in this case the committee's power of amendment is strictly limited to reduction of the demand thereby made. This limitation on the power of proposing amendments applies equally to ministers of the crown as to unofficial members.

That is the point at which Your Honour stopped. However, May continues:

> If the government themselves wish to extend, or to accept amendments extending, the charge thus proposed to a committee, it is necessary to withdraw the resolution and submit another containing the desired modification, as was done in the case of the coal mines bill, 1929-30, and the agricultural marketing bill, 1930-31.

Our argument yesterday and today has been that the only way by which the government can introduce a new or modified proposal is to withdraw by whatever method may be open to them the resolution now standing on the order paper, the first resolution standing on the order paper, and submit a new one. I would hope that Your Honour would not base your ruling on the very narrow point that what May was referring to was, to use his words, to extend the charge thus proposed to a committee, in the sense that your ruling would apply only if the government were seeking to increase the amount of money asked for. That would place an entirely unduly restrictive interpretation upon the authority. What the government is seeking to do here actually is to substitute—

Some hon. Members: Carried.

Mr. Fulton: —hon. members should not be mpatient—for a resolution containing a linitation on the amount to be granted another resolution which provides that while the amount to be loaned by the Minister of Finance to the corporation cannot exceed $130 million, the purposes for which the money can be used are entirely different from the purposes for which the first resolution would give authority to lend money. So in effect you have an extension of the charge and you have a complete extension of the purposes of the resolution with respect to the use to be made of the money to be provided by your bill.

Your Honour has referred us to a passage in Bourinot with respect to bills indicating it is possible to introduce another bill dealing with the same subject as a bill presently before the house. On that point may I refer you to May at page 500? This passage depends, of course, on the passage referred to yesterday at page 499 where May himself says that bills with the same purpose as other bills of the same session may be introduced. But, in giving examples of the occasions upon which members have been allowed to introduce bills dealing with the same subject matter as other bills of that session, May himself points out at page 500 that one of the grounds upon which the Speaker ruled that such a bill might be introduced was that it had been introduced before the decision of the house had been taken on the earlier bill. Perhaps I should read the citation at the top of page 500:

> Objection was taken on 20 July 1870, that one of the objects of a bill then under discussion was to effect the repeal of an act, a proposal which the house had negatived during that session, and that therefore the bill could not be considered, but the Speaker overruled the objection. As he pointed out, the bill had been introduced before the house had arrived at that decision . . .

So he made his ruling there dependent on the fact that the second bill had been introduced before the house had arrived at any decision on the first resolution. Our point here is that the second resolution is being introduced after the house has arrived at a decision with respect to the first resolution, so that the authority of May and Beauchesne with respect to the bills is clearly not applicable in this case, because a decision has already been arrived at with respect to the resolution.

On that point, because I see Your Honour shaking his head—and I take it you disagree with my position that a decision of the house has been arrived at with respect to the resolution—let me go back to Campion, page 178, the reference given by yourself yesterday. It was Your Honour's point yesterday, as I understand it, that no decision of the house has been taken with respect to this resolution, and therefore we cannot rely on our part on the grounds that a decision has been taken, and this new one asks the house to repeat a decision already taken. This, of course, has reference to the rule against anticipation. I want to deal with that at this stage. Campion states:

> The anticipation rule, which forbids discussion on a matter standing on the paper being forestalled, is dependent on the same principle as that which forbids the same question being twice raised in the same session.

Mr. Pickersgill: That applies to the hon. gentleman's speech.

Mr. Fulton: When the first proposed resolution was committed for decision by the committee of the whole, there was a question before the house. The question was: "Shall the Speaker leave the chair for the house to resolve itself into committee on the proposed resolution?" The proposed resolution

was before us on the order paper and, that question being put to the house and a division being called, the house by a majority vote decided that question in the affirmative. The question was: "Does this house want the Speaker to leave the chair so that the committee can embark upon consideration of the proposed resolution?" This house decided by a majority vote that it did want that to take place.

Now this house, by the resolution that now appears on the order paper at page 2, is being asked to make the same decision again. The same question is being submitted: "Does this house want the Speaker to leave the chair in order to go into committee to consider a proposed resolution?" The proposed resolution embraces exactly the same considerations as are embraced in the original resolution.

I do not want to take too much of the time of the house, Mr. Speaker, but it would be interesting to know just why it is that hon. members say we are not being asked to decide the same question as we were asked to decide before. Let us read the two resolutions and compare them. The resolution that we were faced with on March 15 reads as follows:

> That it is expedient to introduce a measure to provide for the constitution of the corporation to be known as the Northern Ontario Pipe Line Crown Corporation for the purposes, *inter alia*, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario and of leasing, with an option to purchase, the said natural gas pipe line to the Trans-Canada Pipe Lines Limited—

Mr. Tucker: On a point of order, Mr. Speaker,—

Mr. Speaker: May I point out that we are now discussing a point of order.

Mr. Tucker: I am rising on a point of order.

Mr. Speaker: Yes; but a point of order cannot be raised on another point of order, I am sorry to say.

Mr. Tucker: Then I rise on a question of privilege.

Mr. Fulton: To continue:

> —and carrying out such leases, including the disposal by the corporation of the said pipe line in connection with such purchase option;—

Mr. Tucker: I rise on a question of privilege.

Mr. Speaker: Order. If the hon. member for Rosthern (Mr. Tucker) rises on a question of privilege, I am obliged to listen to him.

Mr. Tucker: Mr. Speaker, it is a question of privilege, I suggest, arising out of the violation of the rules by the hon. member who has just been speaking.

Mr. Fleming: That is a point of order, not a question of privilege.

Mr. Tucker: He is insisting that the rules be adhered to. I think he should be ready to have the rules applied to him if he wants them applied in this regard. I cite to Your Honour standing order 12 which definitely lays it down as follows:

> Mr. Speaker shall preserve order and decorum, and shall decide questions of order, subject to an appeal to the house without debate.

Mr. Sinclair: Without debate.

Mr. Fleming: It is a bogus question of privilege.

Mr. Tucker: The rule states "without debate". The Speaker has made a ruling in this matter.

Mr. Fulton: No, he has not.

Mr. Tucker: Yes, he has.

Mr. Speaker: Order. I listened carefully to the point raised by the hon. member for Rosthern. So far I have read an opinion from the Clerk. Because hon. members have indicated their willingness to discuss the matter of order, I have acceded to their wishes. I should like to say this, however. Hon. members should be reasonable, should make their point as briefly as possible, and should speak to the point of order.

There is another matter on which I should like to make my position clear. If there are 15 hon. members who would like to take part in this debate on the point of order, I want to say that I will reduce the number considerably. I would point out that I am not obliged to listen to advice on a ruling that I want to give. The standing order says that I may listen to arguments presented. That word "may" is not mandatory; it is permissive. However, in the execution of my duties I have always felt that it was preferable, in order to maintain the good will of the house, to listen to the arguments which may be presented on a point of order that is raised. The Leader of the Opposition (Mr. Drew) raised the point of order. I understand that the hon. member for Kamloops is now completing the stating of the point of order. I will listen to the hon. member for Winnipeg North Centre (Mr. Knowles) and to the leader of the C.C.F. party if he wishes to speak. I will listen to the leader of the Social Credit party if he wishes to speak and to one member of his party besides. I will listen to two members of the party on my right if they wish to take part in this debate. Following that I want to indicate that I will be more than ready to give my ruling.

Mr. Fulton: Mr. Speaker, I was just endeavouring—

Mr. Tucker: On a question of privilege, I want to point out to Your Honour—

Mr. Speaker: No, no. At the moment I must tell the hon. member that his question of privilege is a fraudulent one.

Mr. Fulton: Mr. Speaker, I was dealing with the question of whether or not this resolution that we are now asked to commit to the committee of the whole raises the same question as that which was before the house on an earlier occasion. I assume this time that hon. members opposite have read both resolutions, a position which they apparently did not enjoy yesterday. Hence I will not proceed further with the reading of the resolution. However, I will say that a comparison of the two resolutions indicates that they are in exactly the same terms, paragraph by paragraph, with the addition of only one new paragraph in the new resolution. We are therefore being asked to make the same decision as was made on an earlier question, and that is this: Does this house desire that the Speaker leave the chair so that these terms may be referred to the committee of the whole for discussion? Those of us who think that the Speaker should not leave the chair for that purpose and that we should not proceed one day, one hour, one minute or one inch with the government's proposal will be faced with the necessity of making the same decision as we made and on which we voted on an earlier occasion. Those opposite who think that the proposal should be proceeded with and should be proceeded with as soon as possible will be faced with the same question for decision and it is extremely likely that they will be required once again to vote on that question. How then could it be more clear that the same question is going to be before the house again for decision if the motion now standing on the order paper is allowed to stand there and be submitted to the house for its decision in due course?

If Your Honour—as you did—places considerable reliance on Campion with respect to the rule of anticipation and the application of the rule, then I submit on that ground alone, even if the others did not exist, it is clearly out of order for this resolution to remain on the order paper because Campion says that the principle is one which forbids the same question being raised twice in the same session. Hence there are three points, as I see it. The way for the government to deal with the problem is not to introduce an amendment, because that procedure is out of order on the basis of the authority of May; and not to introduce some resolution which raises the same question—for even although something additional may be added to it, there is still the same question for decision—because that offends the rule against anticipation. In short, I submit that the only way for the government to resolve its dilemma is to comply with the rules of order and to rely on the authority of May, page 750, which states the thing more clearly than anything else could state it and with which I will therefore conclude:

> If the government themselves wish to extend, or to accept amendments extending, the charge thus proposed to a committee, it is necessary to withdraw the resolution and submit another containing the desired modification, . . .

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish first of all to make it clear that in arguing with the memorandum that Your Honour has read, I am, with great respect, arguing with you rather than with our esteemed friend who prepared the memorandum for you. I am also in the fortunate position, I believe, of being able to address my remarks to the statements which you made in reading from that memorandum. In other words, my homework since yesterday has been along parallel lines. If I may say so, I believe I am in a position to answer all of the points that you made a few minutes ago. I may add, Mr. Speaker, that I will be calling some rather eminent authorities, not only the books to which we usually refer, but I shall also quote either the words or the actions of Right Hon. James Ilsley, Right Hon. William Lyon Mackenzie King, Hon. Walter Harris and Hon. Louis René Beaudoin, than whom one could hardly find better authorities.

You said earlier, Mr. Speaker, that this new motion was regarded as containing new matter and therefore as a new motion that it was in a category sufficiently different from the first one that it was proper to place it on the order paper. I am not now arguing with the fact it is on the order paper because that decision has been made, and it is there. What I am contending on this point of order is that Your Honour should not put the question to the house. The fact of the matter is that the new motion contains all that was in the previous motion plus additional matter, which makes it, along the lines of a precedent to which I will refer in a moment, substantially the same as the one already on the order paper.

Your Honour has quoted the authorities and made the assertion that there is no rule against the presentation or the introduction of two bills or two resolutions on the same subject matter. That is a correct statement based on the authorities, but I would point out that in May's fifteenth edition, at page 499 where the quotation appears, the word "presentation" is in italics. In other words, there is a distinction between being permitted

to present two resolutions or two bills dealing with the same subject and being permitted to proceed with two bills or two resolutions dealing with the same subject matter. That is what the Minister of Trade and Commerce is now asking the house to do. The house has already proceeded to a certain extent with this first resolution and he is asking, by the motion which he has now made, to proceed with the second resolution which is substantially the same as the first in that it includes everything that is in the first resolution plus some additional material.

From that point, sir, you moved on to quote a precedent which it so happens is one of the precedents upon which I rely for my side of the argument. When I quote the words of Right Hon. William Lyon Mackenzie King, I think it will be made clear that this witness is mine rather than yours. The reference you made, sir, was to the bill amending the Senate and House of Commons Act in the second session of 1945. All members who were here at that time will have vivid memories of that bill which was the one that provided for our $2,000 expense allowance. May I remind hon. members what happened. Mr. King put the resolution on the order paper quite early in the session and it remained there for quite a number of weeks. Finally, after considerable discussion mainly out of the house, the government decided to change that resolution and substitute for it a different resolution which had in it everything that was in the first resolution plus some additional material. I emphasize the fact that that is exactly what is before us now.

In 1945 there was a resolution that called for certain expenditures and a substitute resolution calling for those original expenditures plus something further. The first resolution on this matter went a certain distance and the second went that distance plus a little more. What did Mr. King, that master of parliamentary finesse, do when he had to deal with this matter in 1945? Up until December 12, the first resolution was still on the order paper and it was the only one on the order paper. On the night of December 12, Hon. Ian Mackenzie, who was house leader, in moving the adjournment of the house, said this:

> Tomorrow morning at eleven o'clock the Prime Minister will ask the house to consider No. 7 on the order paper of today—

I have that session's order papers here and No. 7 on the order paper of that day was the first resolution on the expense allowance proposition. Mr. Mackenzie went on:

> —in regard to allowances to members of parliament for expenses incidental to the discharge of their duties. I believe the Prime Minister will ask that the present order be discharged and a resolution relating to both houses substituted therefor.

Accordingly the next day, December 13, under notices of motions, although the second or substitute resolution appeared in *Votes and Proceedings* only on December 12, the very next day, without waiting the 48 hours, Mr. King who was then prime minister asked the consent of the house to move the second resolution. Now, in your memorandum, sir, you do include the sentence that the first motion was subsequently withdrawn, but please note what Mr. King said when he asked the consent of the house to move a substitute resolution. I will not read all of it because all of us who know Mr. King know the statement would be rather lengthy. This is what he said, as recorded at page 3412 of *Hansard* for December 13, 1945:

> At this late stage of the session, Mr. Speaker, I may have to ask the house for its unanimous consent to allow me to proceed a little more rapidly with consideration of the motion now before us than might otherwise be the case. When the orders of the day are reached I shall ask that the house allow the motion No. 7, which is now in its possession, to be withdrawn and the order to be discharged.

Note these words:

> I make that intention known immediately so that we may be in a position to discuss the resolution that now appears under government notices of motion.

In other words, Mr. King knew he could not ask the house to proceed with the second notice of motion unless the house was prepared to give unanimous consent to the withdrawal of the first notice of motion. The house took a more liberal attitude toward that subject than it is taking towards pipe lines; consent was given and the house moved on.

So much for my calling Mr. King as a witness. As I say, he was very careful, very astute about these things. He took no chances that the house might use its rule about unanimous consent to block any measure that he was anxious to get through.

Now, I said I would also bring in as one of my witnesses the present Minister of Finance (Mr. Harris).

Mr. Harris: You had better be very careful of that one.

Mr. Knowles: The Minister of Finance, when he was minister of citizenship and immigration in 1952, was responsible for certain bills having to do with redistribution. I know someone may say that these were not money bills, but the principle is exactly the same as to whether or not it is possible for the house to proceed any distance at all with two measures that are in the same

general field. I do not quarrel with your assertion, sir, that it is in order to present two bills, even though they may be exactly identical, but I do quarrel with the right of the house to proceed on more than one of them. It is my contention that the house has already proceeded to a considerable extent with the first resolution and the motion now before us is that we proceed a stage with the resolution now before us.

On March 10, 1952, as reported at page 246 of *Hansard*, first reading was given to Bill No. 8 known as the Representation Act. After considerable discussion of the matter in a special committee on redistribution it was agreed in that committee that there should be a different bill, and on June 25, 1952, the present Minister of Finance, in his capacity then as minister of citizenship and immigration, asked for leave to withdraw Bill No. 8 so that he might introduce a new bill, Bill No. 393. I am sure that you, sir, and all the house will agree with me that the Minister of Finance is also very careful; he tries not to get into trouble. This is what he said, as recorded at page 3690 of *Hansard* of June 25, 1952:

> I presume that if leave is given to introduce this bill it will also be necessary to ask for leave to withdraw Bill No. 8.

Now, I submit, Mr. Speaker, that puts the present Minister of Finance in bed with Right Hon. William Lyon Mackenzie King, and both of them were quite clear that though two bills, indeed more than two bills, regarding the same matter could be presented to the house, you cannot proceed to deal with bills or resolutions that involve the same proposal contained in a bill on which the house has already proceeded to any extent.

I said earlier, Mr. Speaker, that I would make reference to Right Hon. J. L. Ilsley. I do that very briefly because I gave this example yesterday, but I also give it in rebuttal to your statement that no cases could be found of a resolution partially considered and a change being made along the lines that I suggested yesterday. Well, Mr. Speaker, that, too, happened in 1945 because on October 9 of that year, as recorded on page 827 of *Hansard*, Mr. Ilsley moved a resolution preceding a bill to amend the National Housing Act. Later, on December 3 of the same year, as recorded on page 2829, when the government had decided to extend the provisions of that bill beyond what was included in the first resolution, exactly what the Minister of Trade and Commerce wants to do now, what did Mr. Ilsley do? Did he do what the present minister is doing? No, he brought in a resolution, as found on page 2829 of *Hansard* of December 3, 1945, asking the house to amend the resolution of October 9, 1945. So, Mr. Speaker, Mr. Ilsley joins the company of the elect who have made it crystal clear that you cannot violate the rule of repetition; you cannot violate the rule of anticipation, even if you sit on the government benches.

In this connection, Mr. Speaker, I said that I would also quote a very outstanding authority in the person of Hon. Louis Rene Beaudoin who, on April 19, 1955, at page 2973, said this to me:

> Well, the hon. member of course will agree that we cannot anticipate a debate which has been put on the order paper for consideration at a later date.

I could of course give pages almost without number, where the same eminent authority has—

Mr. Speaker: Would the hon. member be good enough to repeat the page number.

Mr. Knowles: Page 2973 of *Hansard* for April 19, 1955.

Mr. Speaker: Will the hon. member tell me what was the matter under consideration at the moment? Was that a bill, or a resolution, or what was it?

Mr. Knowles: It has slipped my mind for the moment. I have not room to have all my books here. If Your Honour is asking whether it related specifically to a second resolution or a second bill being proceeded with, I think not. I think it related to repetition in debate, and Your Honour has raised that point a good many times. You have raised it, sir, this year in the debates on small loans; you have raised it in debates on wheat taking place both on the address in reply to the speech from the throne and on the government's bill regarding bank loans. It has repeatedly been Your Honour's contention that there should not be two debates on the same subject before the house at the same time.

Well, sir, what the Minister of Trade and Commerce (Mr. Howe) is asking is that this house by motion instruct the committee of the whole to ascribe on its agenda two debates which are practically identical. They are debates which could not possibly be carried on together without considerable overlapping and duplication.

Oh, yes, I must not fail to give one or two other examples.

Mr. MacDougall: Quote from another one that is in your pocket.

Mr. Knowles: I am awfully pleased to have the interruption of the hon. member for

Vancouver-Burrard (Mr. MacDougall) because my next example involves him. He too will have the opportunity to join the company of the elect and be with us on the correct side of this issue. On February 7, 1955, as recorded at page 894 of *Hansard*, it is indicated that a certain order was reached. It was in the name of the hon. member for Vancouver-Burrard and it had to do with war veterans allowances. The hon. member for Vancouver-Burrard, sir, stood up to say one word, just one word; the word was "stand". Your Honour rose to your feet and said:

I do not think I will allow the hon. member to let his notice of motion stand.

You went on, sir, to point out that not only that motion but the motions of several other hon. members—I think three altogether—that dealt with the question of war veterans allowances would be handled in the same way. Since there was a government notice of motion on the order paper having to do with war veterans allowances you, sir, would not even allow the hon. member for Vancouver-Burrard to have his notice of motion stand. You said that it had to be withdrawn from the order paper. You quoted the same authority that was thrown at us yesterday, namely, Campion. You quoted from Campion at page 144 where he says that certain items were inadmissible, and this is within quotation marks in your own words on that occasion:

Such as matters anticipating an order of the day.

What more clearly anticipates an order of the day than the motion which the Minister of Trade and Commerce seeks to move at this time?

Mr. Speaker: May I ask the hon. member whether he remembers the type of notice of motion? Was it a notice of motion in the name of the hon. member for Vancouver-Burrard?

Mr. Knowles: Yes, that is what I said.

Mr. Speaker: A private member's notice of motion.

Mr. Knowles: A private member's notice of motion; but there are some rules around here that apply equally to private members and government members, and I think there is no problem here. As I say, this motion was not only dropped from the order paper by your direction from the chair, the motion of the hon. member for Vancouver-Burrard, but the motions of two or three other members were also dropped. Two days later, on February 9, 1955, as recorded at page 985 of *Hansard*, you gave the same treatment to another one. I do not have it in my notes, but I think it was a motion in the name of the hon. member for Fort William (Mr. McIvor). This year, on January 30, 1956, Your Honour gave the same treatment to a motion in the name of the hon. member for Lambton West (Mr. Murphy), as recorded in *Hansard* of that date; and so I might go on. The records are full of instances where such items have been allowed to reach the order paper, but Your Honour has refused to allow them to go one inch farther because of the rule that though more than one bill dealing with the same matter may be introduced, though more than one bill or resolution may be presented, it cannot be proceeded with. That is what the minister now seeks to do. I submit, Mr. Speaker, with the conviction that I am right, despite what you said about such an attitude yesterday, that what this house has already done is to start proceedings on the resolution of the Minister of Trade and Commerce; it has moved it from the government notices of motion stage to the government order stage, and it has moved it a stage farther into committee of the whole, and we have had a debate on it. The house has already proceeded with that resolution. The Minister of Trade and Commerce today—if there is any culprit around today it is, of course, the Minister of Trade and Commerce, not Your Honour—is trying to move up one stage another resolution which is substantially the same; and I submit, Mr. Speaker, that for the government to try to do this is playing fast and loose with the rules and privileges of this house, and we should not stand for it. The rule books point out very clearly that when a controversial issue comes before the house—I believe it is in citation No. 1 of Beauchesne's third edition—the government and the opposition are equalized. I believe what is meant is that they are equalized in the sense that the government always has its majority to rely on and the government can always win in the end by the use of that majority, but the opposition has a particular protection under the rules and forms of the house.

I insist we should have the right not to have the rule which we are not permitted to violate, violated by the Minister of Trade and Commerce. That is my contention.

I have spoken to a good many points of order during the last fourteen years but seldom have I been so convinced as I am today that you should not put this question to the house.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, you were good enough to say that you would see me if I rose at this stage of the debate. I may say that such an irrefutable case has been made by the hon. member for Winnipeg North Centre (Mr. Knowles) that I have nothing further to say.

Business of the House

Mr. Solon E. Low (Peace River): Mr. Speaker, I hesitated to enter into such a technical discussion and I am afraid I shall not add much to it that will in any way clarify the situation. I assure you, sir, that I have read very carefully what took place in this house yesterday. I listened carefully to the memorandum given to Your Honour by the Clerk which you read into the record today and I have listened attentively to what has been said by those who have attempted to make a case here today.

Again I say it is an extremely technical discussion. It appears to me, Mr. Speaker, the authorities that have been cited are at variance one with another. There is no clear-cut case for either side in the argument although I am personally inclined to believe that we had better place our reliance upon Campion rather than upon May.

Our rules, it seems to me, are for two main purposes: (a) for the orderly dispatch of public business and (b) for the protection of the rights of minorities.

I can see no way in which what the government proposes by way of placing this second resolution on the order paper interferes with the rights of minorities; consequently, it would appear to me to be the better part of judgment in such a case to fall back upon the adage that this house is the master of its own procedure, and to settle the whole argument by having Your Honour put the question and give hon. members a chance to say how they wish to vote. When that time comes, Mr. Speaker, I will indicate how I shall vote.

Some hon. Members: Question.

Mr. Fleming: Has the government nothing to say?

Mr. Speaker: I want to say now that I greatly appreciate the careful preparation of the case which has been made by the hon. member for Winnipeg North Centre. I think he has proved one point indubitably by quoting at length what Mr. King had done in 1945 because at that time Mr. King was asking the house to proceed with another resolution when there was one on the order paper. Such is the case today. At that time another one was on its way. This illustrates the point that was stressed by the memorandum given to me by the Clerk that there was no obstacle to the presentation of the resolution. No one objected when it appeared on the order paper. No one objected during the 48 hours it was there serving its notice time. No one objected when it appeared on the order paper.

Mr. Knowles: Mr. Speaker, just one slight correction.

Mr. Speaker: The presentation—

[Mr. Coldwell.]

Mr. Knowles: Just to keep the record straight, there were only 24 hours between the giving of the notice and the time it reached the house on that occasion.

Mr. Speaker: Nevertheless no one objected to having the two resolutions come up and therefore the point was made in the memorandum prepared by the Clerk that there should be no objection to the presentation of two resolutions on the same subject.

The hon. member argued that the resolution which is now under government notices of motions and the other one under government orders are two similar resolutions. The point is made in the memorandum of the Clerk that in his view it is a different resolution. We can argue this at great length but the fact remains that there is, in our standing orders, standing order No. 18. I am not going to use my own version; I am going to take Redlich about whose work in The Procedure of The House of Commons the greatest compliments have been made. I am quoting from volume 3 at page 17:

> There is yet one more regulation as to arrangement which finally establishes the commanding position of the government. Standing order 5—

In the United Kingdom, which is our standing order 18.

> —provides: "On days on which government business has priority, the government may arrange such government business, whether orders of the day or notices of motion, in such order as they may think fit".
>
> Under this order the government have the power at all times of arranging their parliamentary action in accordance with the political and administrative needs of the moment, without having to ask for the consent of the members of the house, or even of their own party. They occupy the house on government days to suit their own convenience, and in accordance with the requirements of their own political strategy.

Mr. Coldwell: May I ask how that is relevant to this particular discussion?

Mr. Speaker: Concerning its relevancy, I say this. Hon. members will recall that earlier I made the point that there should be no objection to the presentation of the resolution—because that point has been made. But now we are faced with the resolution on the order paper and are about to take the motion that the house do go into committee at the next sitting of the house in order to consider the following proposed resolution. Then it will go on the order paper and it will be a government order. The only reason we have to appoint another day for the house to go into committee of the whole at the next sitting is because of standing order 61 and the requirement of the royal recommendation is also contained in the British North America Act.

If the two proposals are similar the government will have two orders on the government order paper. It will have, let us say, No. 7 and No. 15. Are there any requirements under the rules anywhere—

The hon. member for Rosetown-Biggar (Mr. Coldwell) apparently did not understand the reasoning I have just presented.

Mr. Coldwell: I am following it very carefully, Mr. Speaker, but I cannot understand the logic of it.

Mr. Speaker: Perhaps the hon. member does not understand the logic of it so far but I am very hopeful that he will in the end.

At that moment there will be two items under government orders, let us say item No. 7, the old resolution, and let us say item No. 15, this one. If, then, a member of the government moves that the order be discharged, one of the two—I want to make a distinction. The presentation of resolutions on the order paper by way of notice as our rules require to bring them to a stage where they can be taken up and the proceeding with the two resolutions so as to avoid duplication of debate are different propositions.

I want to assure hon. members they will not proceed with the two resolutions; they will proceed only with one.

Mr. Knowles: But this is a proceeding today.

Mr. Fulton: They have proceeded with one.

An hon. Member: Can the Speaker not be heard?

Mr. Speaker: At that moment one of the two may be superseded. One may be taken up in committee of the whole and a motion may be made that the chairman do leave the chair without reporting, which kills the resolution, or a motion may be made that the order be discharged and, as hon. members know, a motion that the order be discharged is not debatable. I should like to quote a motion moved by Hon. Mr. Stein which appears in *Hansard* of May 30, 1921, page 4107, as follows:

> Mr. Adolphe Stein (Kamouraska) moved:
> "That the order for further consideration in committee of the whole house of Bill No. 120, intituled 'An act for the relief of Alphonse LeMoyne de Martigny' be discharged, and that the said bill, together with the evidence taken before the divorce committee of the Senate, be referred back to the select standing committee on miscellaneous private bills for further consideration, with instruction that the said committee have power to hear further evidence concerning the facts set forth in the preamble of the said bill."
> Mr. Speaker: I think there is no question that this motion is quite in order. Perhaps I had better point out at this stage that the motion is not debatable, under rule 17A.

That is now standing order 32. I would refer hon. members to page 478 of the *Journals* of 1953-54 where the hon. Minister of Trade and Commerce (Mr. Howe) moved:

> That the order of the house in respect of item numbered 6 under the heading, "Government Orders" on today's "Order Paper", be discharged and that leave be granted to withdraw the following proposed resolution:
> That it is expedient to introduce a measure to amend the Atomic Energy Control Act to provide for the carrying on of research and production activities in the atomic energy field by a minister or by companies reporting to a minister . . .
> And the question being put on the said motion, it was agreed to.

The point at issue is, should the motion to discharge item No. 7, and I am taking a number from the air—

Mr. Knowles: It is order No. 13.

Mr. Speaker: Should the motion to remove item No. 13 on the order paper have been made before the notice of motion was placed? The hon. member says yes. The memorandum which I have read is to the effect that a decision rendered about a certain matter will block the introduction of further legislation, but not the pendency of a measure until its second reading has been disposed of. There is nothing to prevent another bill on the same subject being introduced, and I refer hon. members to page 499 of May's fifteenth edition. I refer also to the following to be found on the same page:

> There is no rule or custom which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions. But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions.

The distinction is between presentation and proceeding. I suggest that as far as presentation is concerned you can go as far as second reading, but as far as proceeding with it and providing the opportunity of debate are concerned, then the rulings of mine which the hon. member has quoted are pretty good. I have made rulings about repetition and duplication and I would certainly rule again if the government should attempt to proceed on a parallel basis with the two items. One would have to be pending at one point or another, there is no question about it; they could not proceed with the two, that is certain.

Mr. Knowles: That is what is happening here. The house is being asked to proceed with the second one.

Mr. Speaker: I am sure that the hon. member for Winnipeg North Centre (Mr. Knowles) and all hon. members who have taken part in this debate have done so with the utmost sincerity, but I say to them that I am in exactly the same position. It

is my duty to make a ruling and I base my ruling on the information I have received from the Clerk. I concur in the opinion that he has expressed.

Mr. Drew: With deference, I appeal your ruling.

Mr. Knowles: With respect, I do likewise.

Mr. Speaker: Mr. Drew has appealed the ruling I have just made. All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Before I put the motion—this is merely a technical point—I am just wondering on what the point of order has been raised, because there is no motion before the house. I think that the motion should have been placed before the house, and then the discussion of the point of order should have taken place after the motion was proposed from the chair.

Mr. Drew: Mr. Speaker, it was an appeal from your ruling that it go on the order paper.

Mr. Speaker: I think I can put the matter straight now—

Mr. Knowles: I believe we are under standing order—

Some hon. Members: Order!

Mr. Speaker: —by saying that government notices of motions having been called, Mr. Drew raised the point of order that it is not in order to proceed with a government notice of motion since a similar proposition stands on the order paper for consideration in the committee of the whole. I ruled that it was in order to present a proposition dealing with the same subject matter when it contained additional provisions. From this ruling Mr. Drew and others appealed for the ruling of the house.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Girard
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
Mang
Marler
Martin
Menard
Meunier
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pommer
Poulin
Power (St. John's West)
Proudfoot
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Studer
Thatcher
Thibault
Thomas
Tucker
Viau
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie
Yuill—144.

NAYS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton

Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Gillis
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—62.

Mr. Speaker: I declare the Speaker's ruling sustained.

MOTION THAT ORDERS OF THE DAY BE NOW READ

Mr. E. D. Fulton (Kamloops): Mr. Speaker, under the provisions of standing order 44 I move, seconded by the hon. member for Lanark (Mr. Blair):

That the orders of the day be now read.

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

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—62.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Girard
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
Mang
Marler
Martin
Matheson
Menard
Meunier
Mitchell (Sudbury)
Murphy (Westmorland)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pommer
Poulin
Power (St. John's West)
Proudfoot
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Studer
Thatcher
Thibault
Thomas
Tucker

Viau	White (Waterloo South)
Vincent	Winters
Weaver	Wylie
Weir	Yuill—146.
Weselak	

Mr. Speaker: I declare the motion lost.

MOTION THAT THE HOUSE DO NOW ADJOURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under standing order 25 I move, seconded by the hon. member for Assiniboia (Mr. Argue):

That the house do now adjourn.

Mr. Speaker: I am on my feet announcing the result of a division, and I have called the heading "Government Notices of Motions".

Mr. Coldwell: No.

Mr. Speaker: I have. A point of order was raised and we were caught between the heading and the motion to be moved by the Minister of Trade and Commerce. Just as I was concluding announcing the result, the Minister of Trade and Commerce was about halfway up on his feet and the hon. member for Winnipeg North Centre, of course, was quicker; he had risen to his full height. Now, at this moment the hon. member is putting me in a very difficult position because it is customary to give the floor to a privy councillor in preference to another hon. member, and—

Mr. Knowles: Mr. Speaker, standing order 25 is very clear. A motion to adjourn the house is always in order.

Mr. Speaker: The hon. member has not made it yet.

Mr. Knowles: I made it, sir. I will move it again. I move:

That the house do now adjourn.

Mr. Speaker: The hon. member is going to allow the Speaker to do whatever he has to do before he steps in with another motion. The Clerk had not concluded giving the result of the division, and I have to give the result and declare that the motion is either lost or carried.

Mr. Knowles: I thought you had done so, sir.

Mr. Speaker: Yes; I was on my feet; I was still on my feet and the hon. member was on his feet proceeding to read something which purports to be a motion to adjourn the house. I wanted to have the floor to indicate to him that at the moment that he was rising to his feet the Minister of Trade and Commerce was also rising. Now, in my position I have to give the floor either to the Minister of Trade and Commerce or to the hon. member for Winnipeg North Centre, and in this instance I recognize the Minister of Trade and Commerce.

NORTHERN ONTARIO PIPE LINE CORPORATION

CONSTITUTION OF CROWN COMPANY TO CONSTRUCT PIPE LINE

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, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation for the purposes, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

To provide also that the corporation may, on behalf of Her Majesty, out of moneys advanced by the Minister of Finance, make short term loans to Trans-Canada Pipe Lines Limited for the construction of a natural gas pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, such loans not to exceed in the aggregate eighty million dollars or ninety per cent of the cost of construction of the said pipe line, whichever is the lesser, and to be made upon such terms, conditions and security as approved by the governor in council.

To provide also that the corporation may do such things as are conducive to the attainment of the foregoing purposes, and that in the event of default of Trans-Canada Pipe Lines Limited in carrying out any agreement for the foregoing purposes the corporation may take possession and control of any or all assets, rights and undertakings of Trans-Canada Pipe Lines Limited and conduct the business and operations of Trans-Canada Pipe Lines Limited with respect to such assets, rights and undertakings, and that if such default should occur prior to completion of the pipe line mentioned in the last preceding paragraph hereof the corporation may complete its construction and manage and operate it and that it may, out of moneys advanced by the Minister of Finance acquire shares of the capital stock of Trans-Canada Pipe Lines Limited.

To provide that the aggregate outstanding at any time of the amounts authorized by the measure to be advanced for the foregoing purposes by the Minister of Finance to the corporation together with the loans authorized to be made by the Minister of Finance to the corporation shall not exceed one hundred and thirty million dollars.

And to provide further for the appointment and remuneration of directors, officers and employees necessary for the administration of the act.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in view of the position we have taken in regard to this motion, we must oppose the motion just moved.

Mr. Speaker: Those who are in favour—

Mr. Knowles: You have yet not put the question, Mr. Speaker.

BUSINESS OF THE HOUSE

MOTION THAT THE HOUSE DO NOW ADJOURN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before you put the question, under the provisions of standing order 25, I move, seconded by the hon. member for Assiniboia (Mr. Argue):

That the house do now adjourn.

Mr. Tucker: On a point of order, Mr. Speaker, I submit that this motion of the hon. member for Winnipeg North Centre is out of order under rule 21, which reads:

Government notices of motions for the house to go into a committee of the whole at the next sitting of the house when put from the chair shall be decided without debate or amendment.

After the motion is put, Mr. Speaker, nobody has any right under that rule to take the floor until that vote is held.

Mr. Speaker: The hon. member has cited a rule which speaks for itself, but there is another one which also speaks for itself.

Mr. Knowles: Rule 25.

Mr. Speaker: I shall read rule 25.

A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

Therefore, at this moment what has been done is that I put the motion moved by the Minister of Trade and Commerce and at that juncture the hon. member for Winnipeg North Centre is, in my view, in order in moving the adjournment of the house. This is not a debate; it is a superseding motion.

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

YEAS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Hamilton (Notre Dame de Grace)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Small
Stanton
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—59.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blackmore
Blanchette
Boisvert
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Portneuf)
Gingues
Girard
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
Mang
Marler
Martin
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pommer
Poulin
Power (St. John's West)
Proudfoot

Purdy	Sinclair
Quelch	Smith (Battle River-Camrose)
Ratelle	Stick
Reinke	Studer
Richard (Ottawa East)	Thatcher
Richard (St. Maurice-Lafleche)	Thibault
Roberge	Thomas
Robertson	Tucker
Robichaud	Viau
Robinson (Simcoe East)	Vincent
Ross	Weaver
St. Laurent (Quebec East)	Weir
St. Laurent (Temiscouata)	Weselak
Schneider	White (Waterloo South)
Shipley, Mrs.	Winters
Simmons	Wylie
	Yuill—148.

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

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Do hon. members consider that the members have been called in?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Fulton: Call in the members.

Mr. Speaker: Would the whip be kind enough to so indicate? Call in the members.

The question is the following:

Mr. Howe (Port Arthur) seconded by Mr. Harris, moves that the house go into committee of the whole at its next sitting to consider the following proposed resolution, which has been recommended to the house by His Excellency:—

Shall I dispense?

Some hon. Members: Dispense.

Some hon. Members: Read it.

Mr. Speaker:

Resolved, that it is expedient to introduce a measure to provide for the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation for the purposes, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

[Mr. Speaker.]

To provide also that the corporation may, on behalf of Her Majesty, out of moneys advanced by the Minister of Finance, make short term loans to Trans-Canada Pipe Lines Limited for the construction of a natural gas pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, such loans not to exceed in the aggregate eighty million dollars or ninety per cent of the cost of construction of the said pipe line, whichever is the lesser, and to be made upon such terms, conditions and security as approved by the governor in council.

To provide also that the corporation may do such things as are conducive to the attainment of the foregoing purposes, and that in the event of default of Trans-Canada Pipe Lines Limited in carrying out any agreement for the foregoing purposes the corporation may take possession and control of any or all assets, rights and undertakings of Trans-Canada Pipe Lines Limited and conduct the business and operations of Trans-Canada Pipe Lines Limited with respect to such assets, rights and undertakings, and that if such default should occur prior to completion of the pipe line mentioned in the last preceding paragraph hereof the corporation may complete its construction and manage and operate it and that it may, out of moneys advanced by the Minister of Finance acquire shares of the capital stock of Trans-Canada Pipe Lines Limited.

To provide that the aggregate outstanding at any time of the amounts authorized by the measure to be advanced for the foregoing purposes by the Minister of Finance to the corporation together with the loans authorized to be made by the Minister of Finance to the corporation shall not exceed one hundred and thirty million dollars.

And to provide further for the appointment and remuneration of directors, officers and employees necessary for the administration of the act.

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Deschatelets
Applewhaite	Deslieres
Ashbourne	Dickey
Batten	Dumas
Bennett	Dupuis
Blackmore	Eyre
Blanchette	Fairey
Boisvert	Follwell
Bonnier	Forgie
Boucher	Fraser (St. John's East)
Bourget	Gagnon
Bourque	Gardiner
Breton	Garson
Brisson	Gauthier (Lake St. John)
Brown (Brantford)	Gauthier (Portneuf)
Brown (Essex West)	Gingues
Bruneau	Girard
Buchanan	Gour (Russell)
Byrne	Gourd (Chapleau)
Cameron (High Park)	Gregg
Campney	Habel
Cardin	Hahn
Caron	Hanna
Carrick	Hansell
Carter	Hardie
Cauchon	Harris
Cavers	Harrison
Cloutier	Healy
Dechene	Hellyer
Decore	Henderson
Denis	Henry

Hollingworth
Holowach
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
Mang
Marler
Martin
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pommer
Poulin
Power (St. John's West)
Proudfoot
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Studer
Thatcher
Thibault
Thomas
Tucker
Viau
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie
Yuill—148.

NAYS

Messrs:

Aitken, Miss
Argue
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Hamilton (Notre Dame de Grace)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacInnis
McBain
McCullough (Moose Mountain)
McGregor
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Small
Stanton
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—59.

Mr. Speaker: I declare the motion carried.

BUSINESS OF THE HOUSE

PROCEDURE TO BE FOLLOWED IN CONNECTION WITH STANDING ORDERS 24 AND 25

Mr. Speaker: Earlier today the hon. member for Kamloops (Mr. Fulton) moved that the house do proceed to orders of the day, and later the hon. member for Winnipeg North Centre (Mr. Knowles) attempted to move that the house do now adjourn. The first motion was moved by virtue of standing order 24 and the other by virtue of standing order 25. I think perhaps I should have listened more carefully to the intervention by the hon. member for Rosthern (Mr. Tucker).

I should like to say that these two motions are superseding motions; therefore a motion should have been before the house first to be superseded by the motion made by the hon. member for Kamloops. It so happens that the hon. member for Winnipeg North Centre was allowed to make his motion to adjourn the house after the motion was moved by the Minister of Trade and Commerce that the house do go into committee of the whole at its next sitting on the resolution. The motion to adjourn the house was in order.

I should like to refer hon. members to standing order 24, which says:

> A motion for reading the orders of the day shall have preference to any motion before the house.

There has to be a motion before the house before that motion can be entertained. Standing order 25 says:

> A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

The words "shall always be in order" must be understood to mean providing there is a motion before the house.

I should like to refer hon. members now to Bourinot's fourth edition, page 322, where he says:

> There is a class of motions, common to all parliamentary assemblies, intended to have the effect of superseding or delaying the consideration of a question. For instance, motions for the adjournment of the house or debate, for reading the orders of the day, and for the previous question, are all in this direction.
>
> The term "dilatory" is used by most writers on parliamentary law as a convenient means of grouping together such motions as postpone a question for the time being.

Inquiries of the Ministry

Motions of adjournment—When any question is under the consideration of either house, a motion to adjourn will always be in order.

Then he cites rule 39, which is now our rule 25. On page 324 he says:

A motion to proceed to the orders of the day is another mode of evading a question for the time being.

He cites rule 35, which is now rule 24. Then he says:

If a question on the motion paper is under consideration, any member may move, "That the orders of the day be now read," or "That the house do now proceed to the orders of the day," or "to the public bills and orders."

Now, having said that, I think we are protected for the future.

HEALTH INSURANCE

INQUIRY AS TO PARTICIPATION BY ADDITIONAL PROVINCES

On the orders of the day:

Mr. J. E. Brown (Brantford): I should like to direct a question to the Minister of National Health and Welfare. Could the minister advise the house whether any provinces, in addition to British Columbia and Saskatchewan, have indicated they will accept the federal government's recent offer to provide financial support and technical assistance for a hospital care insurance program?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, on Monday we received an official communication from the government of Alberta, through its minister of health, saying that they accepted the federal government's proposal in principle.

EXTERNAL AFFAIRS

ALASKA—REQUEST THAT SKAGWAY BE MADE A FREE PORT

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Secretary of State for External Affairs? Have arrangements been made for the minister or a senior official of his department to meet with the Alaskan delegate, Mr. E. L. Bartlett, who is expected in Ottawa shortly, to discuss the Alaskan panhandle problem? If so, would they give consideration to putting forward the suggestion that the port of Skagway be made a free port or a port of free entry so as to avoid customs duties and the necessity of goods passing through that port in bond to the Yukon and northern British Columbia.

Hon. L. B. Pearson (Secretary of State for External Affairs): I understand that the delegate to congress from Alaska is visiting Ottawa informally and unofficially, and there is no question as to official conversations on this matter with him, though some of us hope to have the pleasure of meeting him while he is here. If there were any such conversations or discussions they should, of course, take place with representatives of the United States government.

Mr. J. A. Simmons (Yukon): I should like to ask a supplementary question to the one raised by the hon. member for Esquimalt-Saanich. Does the minister not think that the first step should be to set up an international committee composed of men who reside in the areas concerned, who are familiar with it and with the actual problems and conditions?

Mr. Pearson: This is an important matter and should be given careful consideration. I am not in a position now to give my own opinion on what would be the best procedure to achieve the end in view.

WORLD ALLIANCE FOR PEACE—PLAN OF SIR WINSTON CHURCHILL

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Secretary of State for External Affairs whether he would care to comment on the noble and challenging concept that was enunciated today by Sir Winston Churchill of a grand alliance for peace, and whether anything that has taken place, in particular during the recent NATO meetings, would indicate such a change of mind on the part of the U.S.S.R. as to permit of such a concept being implemented?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, I agree that anything Sir Winston Churchill says is likely to be important and imaginative. I think, though I have not read the text of his speech, that, from the press reports, this statement of his would qualify under both categories. I do not believe, however, not having read the statement, I could comment on it usefully at this moment.

GRAIN

WHEAT—REPORTS OF WHEAT BOARD AND GRAIN COMMISSION

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): May I direct a question to the Minister of Trade and Commerce? When does the minister expect to have the reports of the board of grain commissioners and the wheat board before the committee on agriculture and colonization?

Right Hon. C. D. Howe (Minister of Trade and Commerce): The reports of the board of grain commissioners and the wheat board are

filed with this house and have been referred to the committee on agriculture and colonization.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE FROM BARTIBOG TO TOMOGONOPS RIVER, NEW BRUNSWICK

The house in committee on Bill No. 248, respecting construction of a line of railway in the province of New Brunswick by Canadian National Railway Company from a point at or near Bartibog in a westerly direction to the Tomogonops river in the vicinity of Little River lakes—Mr. Marler—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Construction and completion.*

Mr. Green: Mr. Chairman, this bill was given careful consideration by the standing committee on railways, canals and telegraph lines. During the course of the discussion in the committee we heard evidence from Mr. S. W. Fairweather, who is the vice-president in charge of research and development for the Canadian National Railways, and because the story he told about this proposed branch line in New Brunswick was so interesting, and I think of such great importance to the whole of Canada, I am trespassing on the time of the committee for a few moments this afternoon to emphasize some of the statements he made.

He told us he was happier over this branch line than he had been over any other branch line of the Canadian National Railways in recent years. Then he went on to point out the significant mineral deposits that have been found in this particular part of New Brunswick. I hold in my hand the evidence taken in the committee, and at page 51 Mr. Fairweather had this to say:

> The area in New Brunswick in which the Heath Steele mine is located has developed into one of the major mineral belts of Canada.

And again, at page 56, I asked him this question:

> I understood you to say that Heath Steele mines was getting established and that you expected that there would be quite a large number of mines in that area? Is that correct?
>
> A. Yes. I am distinctly optimistic about this area. I would say that we have in this area one of the major mineral deposits in Canada. I think that is emerging. It is a zinc-lead-copper area, and the favourable area, so far as now known for prospecting would extend all the way from—let us say—a point 20 miles to the north of Newcastle up to, let us say, the vicinity of Campbellton, and halfway over to the Saint John river. It is an enormously large area, and we now know that, in addition, Heath Steele mines have proved an area of ore deposits of 7,200,000 tons of ore.
>
> A few miles away you have the New Brunswick Mining and Smelting Corporation, and they have 50 million tons of ore that have been demonstrated; and in the same general area you have Kennco mines with their prospecting, and the Texas Gulf Sulphur in prospecting, and the New Larder "U" Island mines, and while we have not shown them—

He was referring to the map which he produced in the committee.

> —there are other substantial mining companies which are prospecting in the area and they are, according to my information, getting indications. Therefore I think you can say that this area is one of the prosperous spots on the mining horizon.
>
> Q. You say that the whole area of mineral formation is lead-zinc-copper?
>
> A. So far as is known it is zinc-lead-copper, with some gold and silver.

Then on page 57 Mr. Fairweather said:

> This area has turned out in such a short period as has elapsed from the time of the first discovery—it has turned up something in the order of 60 million tons of ore, which moves this area right up into the topnotch areas of the world.

That is very significant evidence and very encouraging not only to the people of New Brunswick but also to the rest of the Canadian people because, as we all know, New Brunswick, Nova Scotia and Prince Edward Island have not had the advantage of northern areas through which the great shield in Canada runs, which is so heavily mineralized; and it is almost a miracle that here in New Brunswick these vast deposits have been discovered.

I also asked Mr. Fairweather about the possibility of a smelter to fabricate those ores. The questions and answers are found on page 57. I think this particular aspect of the development is of vital importance, because someone will have to take the responsibility of aiding in the development of a smelter and a refinery, and I believe the dominion government should give a lead in that regard. I asked this question:

> We hear a great deal about a smelter to be erected, and of course if that were done there would be greatly increased freight traffic, I presume. Has your company given any consideration to that possibility?
>
> A. Oh yes, we have given a great deal of consideration to the location of a smelter. It may be recalled that when I was giving evidence on the Chibougamau line I pointed to the strategic importance of the Saguenay river, and there is now under development a smelter in that area.
>
> This New Brunswick area is creating quite a problem because the ore is a highly complex ore. The metallurgy is very difficult. But at some stage I am hopeful that a smelter will be located and a refinery will be located, and that is probably as good a place of assured supply as any that I know of.
>
> From a development point of view we are keenly interested in getting a customs nickle smelter—

I think that is a misprint. I think he said "zinc smelter". I continue:

> —located somewhere in eastern Canada and we feel that from the development standpoint that it is a logical development. We have had talks with many industrialists and they have all agreed that at some stage we should have a zinc refinery—

That is in addition to the smelter.

—a small refinery—in eastern Canada. It is already the hope of the chemical industry, and it is purely a matter of timing; but one of the things that has to be considered is an assured supply of zinc concentrates.

Q. You have that in this area?

A. In this area there is such an enormous amount of zinc that anybody controlling the mining here would know very definitely that for a period of a hundred years at least he would have no question at all as to the supply of zinc concentrates.

That shows just what the possibilities are arising out of those mineral discoveries. We also asked Mr. Fairweather what power would be required for the smelter. For example, I asked:

How would a smelter and a refinery derive their power? Would it be from electricity, or from coal, or from what? What would be the fuel used?

A. A smelter of course is a thermal process and it would be based largely on present knowledge, either on coal or on petroleum, one or the other, as a source of energy.

Of course that is so important because of the coal in New Brunswick and in Nova Scotia. By the way, it would not be of much help if oil were used rather than coal for fuel in such a smelter. I continue:

With a refinery, so far as zinc is concerned, you have your choice; you could either use a thermal reduction process, if you want to get high quality zinc, followed by redistillation, or you could use electric reduction, and in the latter case of course you would have to have a cheap source of power. Speaking as a maritimer, I would be delighted if I could see a cheaper source of power developed in the maritimes than now exists.

Q. Would the development of the Saint John river mean power which was cheap enough for that purpose?

The Chairman: Order. May I, with some deference, interrupt the hon. member. I do not wish to interfere with his train of thought, and I think he is in order to deal with this development to show the necessity of building this branch line of railway. On the other hand, under our rules of relevancy in committee, I do not think he should deal too extensively with the power to be used in a smelter. I think he will agree with me that the other line of thought is more relevant.

Mr. Green: I had practically finished, Mr. Chairman. Of course the erection of a smelter and a refinery is of great importance to the railway as well as to the whole of the area there, Mr. Chairman.

The Chairman: I have indicated that that, in my opinion, was quite relevant; but when the hon. member proceeds to discuss the power which is to be used in the smelter, then in my opinion he is straying from relevancy.

Mr. Green: Well, it would appear that there is the possibility of a smelter using coal or oil and a refinery using electric power, or possibly using other fuel. We asked about atomic energy, and he said they were investigating that possibility also. This whole prospect is so promising that I hope the appropriate department of the government is making investigations having in mind taking steps that will encourage the opening up of those mineral deposits and that will also lead to the erection of a smelter and a refinery in that part of Canada.

We have heard Mr. Fairweather from time to time before the committee. I believe he is an extremely competent and reliable official of the Canadian National Railways who is vitally interested in the development of those different Canadian resources. Here, as he said, is a branch line which has excited him more than any other. By the way, I have heard him deal with the branch lines from Terrace to Kitimat, from Sherridon to Lynn Lake, Manitoba, and then in the Chibougamau area and the branch line to lake Manitouwadge in northern Ontario, all of which were exciting in their own right, but I feel there is an outstanding potential in this development in the province of New Brunswick. I hope the Minister of Transport or some other minister of the government will tell us whether there is in mind any policy which will promote the widest possible use of these mineral deposits for the benefit of the people of New Brunswick.

Mr. Herridge: Mr. Chairman, I wish to make a few brief remarks on the first clause of this bill. As a member of the committee on railways, canals and telegraphs who had the opportunity to hear Mr. Fairweather, who I understand is a vice-president of the Canadian National Railways connected with development and planning—

Mr. Marler: Research and development—

Mr. Herridge: I heard Mr. Fairweather give his evidence in connection with the necessity for the building of this railway. It was most interesting for me to hear his evidence as to the great possibilities in the development of mining in New Brunswick, possibilities which apparently have come to the fore in the last three or four years. and his relation of that development to transportation necessities in the whole area and his reasons for the necessity for building this railroad to take the concentrates from the concentrator to seaboard or to other markets.

I was particularly pleased to notice his opinion that it would be necessary for a custom smelter to be built somewhere in the maritimes to serve the mines that are coming in the future. I must say I think we are very fortunate in Canada to have a gentleman

of such high capacity and vast ability as Mr. Fairweather rendering the service he does to the people of this country.

I have had the opportunity, as has the hon. member who preceded me, to hear Mr. Fairweather give evidence on a number of occasions in connection with bills that were coming before the house, and transportation problems. It clearly indicates to me that he is an expert in his field and believes in planning. His evidence is of such a nature that one sees that he believes in relating one set of circumstances to another and acting as a result of a planned and co-ordinated approach to transportation and economic problems. We in the C.C.F. are very pleased indeed to see at least that aspect of C.C.F. policy being given effect by one of the government's most prominent servants.

Mr. Hahn: Mr. Chairman, the witness, Mr. Fairweather, in giving the information he did, was certainly most free and willing and he did not hesitate to answer any questions that were put before him. I was particularly interested in noting some of his observations with regard to the development that is expected to take place in the New Brunswick region and the part the Canadian National Railways hopes to play in it. I was somewhat disappointed, however, in the point of view the Canadian National Railways is apparently taking today in the development of such regions.

I refer specifically to what in my view should be the purpose of a railway. It should not be simply to develop an area; that is, to project a line into a particular area with the hope of making a profit, especially when it is a government-owned railway. I feel it should be for the purpose of opening up that country. As was indicated by Mr. Fairweather, the railway may in the course of events assist other mining industries; however, the witness indicated to us in his evidence that he did not think it was up to the railway to provide bus transportation, for instance, or other means of transportation from the homes of the miners to the mine as the case might be. The purpose of this rail line was for making a profit out of the concentrates being taken from the Heath Steele mines to the main branch of the Canadian National Railways and off to Newcastle or some other port.

It is my opinion, Mr. Chairman, that while there is a road which the Heath Steele mines helped to build, it is not up to the railway to tell the mining company or the miners that those who work in the mines shall now use bus transportation which is not being provided on that road. If the rail line is going to provide cheaper transportation with respect to hauling concentrates certainly the miners should have the right to expect that other means of transportation by rail should be offered to them as well in so far as getting to and from the mine is concerned, especially when it is considered that a good portion of the concentrates will be sent eventually to Newcastle and out through the seaport there.

The fact that the Heath Steele mine helped the province of New Brunswick build the road indicates that the mine felt some responsibility to the miners beyond getting rid of the concentrates. On page 51 of the evidence we find Mr. Fairweather's own words:

> . . . we had actually to canvass this mining company and convince them that they would be better off if they were served by a railway than if they depended solely upon highway transport.

I have no objection to them making it possible for the Heath Steele mine to reduce the price of the mineral by making available to it the Canadian National Railways transportation system. However, I do object to the fact that we have here an instance wherein all the lucrative cargo is taken from the trucks and the skim or poorer part of it is passed on to a bus company which does not even exist.

When questioned concerning this point, Mr. Fairweather indicated there were automobiles that would transport people from Newcastle to the mine. It was the intention of the mine—and it is a policy that is being followed quite freely in other mining areas today—to have the miners live about 38 miles from the mine, at Newcastle or some other central point, and travel back and forth each day between Newcastle and the mine. It is possible that this in itself would be quite satisfactory, but no means is available today for those people to get back and forth, nor is it the intention of the Canadian National Railways to provide such facilities. I feel that some such means of transportation should be made available to them.

I am not suggesting for one moment that the miners would ride back and forth in the trucks that would haul the concentrates, but if the Heath Steele company felt it was necessary to assist the province of New Brunswick in building a road they would in all likelihood continue to feel a responsibility for helping to maintain that particular road. We understand that the province of New Brunswick is in need of assistance from time to time, and the assistance the Heath Steele company would give them in the building of their road would, I am sure, be very much appreciated by the people of that province. If this bill passes and this method of moving the concentrates is accepted, then these people will feel they have no obligation in respect to providing transportation back and

forth because of the lack of a road. I think our railway company should accept the responsibility in this matter.

Another matter that arose in committee had to do with agreed charges, and the witness is reported on page 51 as having said:

> We did a pretty fair job, and not only did we convince them that they would be better off with the railway but we also convinced them that they could afford to give us a traffic guarantee of substantial volume sufficient to lift this branch line from a speculative position to a straight business proposition.

There was a guarantee given by the mine to the C.N.R. for the building of the branch line. If they did not carry out their guarantee then I understand the mine would have to pay a penalty to the C.N.R. In other words the mine has guaranteed the C.N.R. that either it will supply sufficient concentrates to be hauled over the line to make it pay for itself within a period of ten years, or in the event of not having the concentrates to ship over the line the mine will pay a penalty. The C.N.R. lose absolutely nothing, but they are not willing to accept the responsibility of providing other means so the miners and other people in that area may travel.

Coming back to this question of agreed charges, Mr. Fairweather indicated that he did not think this was a case of agreed charges. Hon. members of the committee can read his suggestion on page 62 in respect to agreed charges, where he indicated that this was different from the agreed charges normally entered into. Technically there might be some slight difference, but certainly there is an agreement with the Steele people as to the rate they are going to be charged and the traffic load they are going to guarantee, or in the event that the guarantee is not lived up to a penalty will be paid by the Steele people. This in effect means that there are agreed charges.

What is actually going to result is that a group of truckers will be put out of business in that province, truckers who have helped to maintain the road. When we enter into such agreements I think we have a responsibility to find out how many people are going to be put out of business. If small businessmen such as these truckers are going to be put out of business we will not be helping the people there.

I know it is not the responsibility of the C.N.R. to go around and find out what people are being put out of business and then give them jobs, or something like that; but the committee should have information as to how many truckers are going to be put out of business. We have not seen the exact terms of the agreement or how much they are being guaranteed in the way of haulage, but I can well imagine that there will be few truckers left on that road. The result will be that the province of New Brunswick will lose revenue in the form of licence fees and taxes from those particular people.

Mr. Barnett: Mr. Chairman, I sat in on the committee meetings, and like other hon. members I was very interested in the evidence given by Mr. Fairweather. I find myself rather bewildered by the statements just made by the hon. member for New Westminster. If I heard him correctly, the hon. member was suggesting that truckers were going to be put out of business in the province of New Brunswick. My understanding of the evidence given to us is that the particular mine to be served by the proposed branch line is in the development stage and that some time in the future, probably a few months before it is anticipated the branch line will be constructed, they expect to begin stockpiling a certain amount of concentrates. I fail to understand the reasoning of the hon. member for New Westminster in suggesting that truckers are going to be put out of business in the hauling of concentrates that are still buried in the ground within the limits of that mining property.

There is another way in which I find myself bewildered. The hon. member seems to be concerned that the C.N.R. should be hauling people back and forth between Newcastle and the mine. If I understood Mr. Fairweather correctly he intimated that under certain terms and conditions the C.N.R. would be quite prepared to provide passenger service if there were any call for such service. According to the map shown to the committee the proposed route of this line is more or less in the shape of a dog's leg between the mining property and Newcastle, whereas the highway, which I gather is quite adequate to permit people to travel back and forth, goes along the other side of the triangle, a much shorter and more expeditious route for people to travel back and forth.

I fail to understand the reasoning of the hon. member for New Westminster. Where it is necessary and reasonable for a railway company to provide passenger service, by all means they should be prepared to do so; but under these conditions it seems to me the hon. member's argument is a little absurd.

Mr. Hahn: Here is the question I asked of Mr. Fairweather and his answer, as reported on page 56:

> Q. Do they operate their own trucking line at the present time?
> A. No, they hire truckers.

The Chairman: May I take this opportunity to throw out the suggestion that perhaps a

discussion of the trucking aspect of this matter is not entirely in order under this clause.

Mr. Johnston (Bow River): May I say a word on the point of order, because I had intended to say a few words later on about that particular matter. In the agreement there is a definite provision whereby the railway is given a monopoly on about 90 per cent of the freight to be hauled, and the question of agreed charges does enter into it. You can call them agreed charges or a guarantee. I hope you are not coming to the point now of saying that we cannot discuss that aspect when it is actually in the bill.

The Chairman: I listened to the hon. member for New Westminster discuss agreed charges, and I felt he was in order, but on the other hand I merely suggest that I do not think we should wander too far afield in discussing the trucking business. This is, after all, a railway bill, not a trucking bill.

Mr. Barnett: I must say with reference to this point that neither as a result of the discussion in the railways, canals and telegraph lines committee, nor here, am I too sure as to whether or not the hon. member for New Westminster and his colleagues are supporting this bill.

An hon. Member: You will find out.

Mr. Barnett: But I did draw some inference from his remarks that in effect he might be suggesting it was advisable that we should not build this railway but that we should let truck lines haul out the concentrates from the mines. If that is the conclusion at which he arrives eventually, I must say at once that I do not agree with him, because on the face of the economies that were admitted to us I am utterly at a loss to understand why he should suggest that the people of the province of New Brunswick should be saddled with the cost of building and maintaining a highway to haul out heavy loads of zinc, lead and copper concentrates when it can be hauled out on a short spur line at about one-fifth of the cost, according to the evidence.

Mr. Hahn: I rise on a question of privilege. The hon. member for Comox-Alberni is quite definitely putting words into my mouth. I suggested no such thing. I was merely asking for an additional service by the C.N.R.

Mr. Barnett: I realize that the hon. member's argument seemed to revolve around two points. One was the fact that the C.N.R. should provide a passenger service, in addition to a freight service, and his other argument seemed to be that the C.N.R. should not provide either. I find it a little difficult to decide which line of his argument I ought to pursue at any given moment. I must say that I do not know how you can have it both ways. If the railway line is not to be built at all, I do not know how you can be expected to provide a passenger service.

However, to come back to the point I was on, I fail to understand why the member shows such concern over the idea of having these concentrates hauled by truck, saddling upon the people of the province of New Brunswick the very expensive job of maintaining a highway adequate to do that job, for the benefit of a few truck drivers. One would almost think all the people of New Brunswick were suddenly going to become truck drivers to haul this ore. To me that just does not add up to plain, ordinary common sense, and for my part I support the measure.

Mr. McIvor: The hon. member for Pictou, the chairman of that committee, brought in his report, and it was adopted. We received a good deal of information, and I think the committee was unanimous in passing it. Like the hon. member for Vancouver-Quadra, I think this bill should go through and we should not have very much more talk about it.

Mr. Bell: This is one time it is a pleasure to agree with the hon. member for Fort William. But two thoughts come to my mind in reading the report of the committee. It was not my pleasure to serve on the committee, but in reading through the verbatim reports of the proceedings a few matters caused me slight concern. First of all I should like to say this. I know everybody has indicated how pleased we are that New Brunswick is prospering with these new discoveries that Providence has provided. We should give credit to the industrialists and promoters who went in and undertook the initial work, and we should give credit also to the aggressive political leaders of that province now.

Mr. Robichaud: When was it started?

Mr. Bell: However, I do want to mention the fact that the real battle has just begun there in the province, as far as this ore development is concerned. Everybody in the province—and I say this regardless of politics—wants to take full advantage of these discoveries. They want to develop them in our province and to gain every advantage from that development.

Having said that, I might add that these two thoughts come to my mind as a result of reading the committee report. I note that there was some discussion about the ports through which the ore concentrates would be shipped.

I was taken aback—in fact, I nearly fell out of my chair—when I saw Halifax mentioned. Coming from New Brunswick and the good old port of Saint John, I realize that reference should be made to that port. The minister certainly appreciates that, because he knows what great facilities we have in Saint John.

I do not have any quarrel with the ports in New Brunswick, the warm-weather ports of Dalhousie, Bathurst and Newcastle, but I want to say that with the government railway concerned in this project in which there is a certain amount of direction of traffic, with cars being made available, discretion comes to the fore and Saint John should be given every preference, because it is within the province. The facilities are provided there, and the government can step up those facilities.

The second matter—and it will only take me a minute to mention—concerns contracts. There was some discussion in the committee regarding the contracts that will be let to construct this railway. We have a difficult problem in New Brunswick with the contracts that are being let for all our new development work. It may be the army camp; it may be the construction of this line, but the problem is this. We do not have large operators down there in the construction business generally. We cannot keep up with the tenders of concerns outside the province, and consequently all we can get for ourselves are small contracts.

Mr. Robichaud: What about the Diamond Construction Company?

Mr. Bell: That is a general statement.

Mr. Marler: I have a higher opinion of your contractors than you have.

Mr. Bell: Well, I do say this, without prolonging the argument, that the contracts for the army camp generally were in large amounts, and our concerns in New Brunswick and throughout the maritimes could not tender on these large $2 million jobs. That is a true statement. I am not saying there has been unfairness. I am simply saying we have to be given a break with regard to these contracts, and those for large amounts should be made available to our contractors. This would apply to the construction of this railway line. We have already had two or three failures, in regard to work on the army camp, of small contractors trying to step up their businesses in order to be able to meet that situation. I leave those few thoughts with the committee and I hope they will be considered, because they mean a good deal to us in the province.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Johnston (Bow River): Mr. Chairman, I desire to make just a few remarks on this proposed railway line in the newly developed mining area of New Brunswick. I want it plainly understood that never have we taken the position that the line running into this area should not be gone on with. We are firmly of the belief that it is high time there was some development in the province of New Brunswick.

It is an amazing thing that in New Brunswick, which now seems to have such a tremendous amount of natural wealth, it has taken so long to develop it. A while ago a reference was made to politics. Hence I should not be out of order if I say that under the Liberal regime in New Brunswick and under the present Conservative regime in New Brunswick little progress has been made. New Brunswick is considered to be one of the more unfortunate provinces in Canada having regard to any major developments. I think we can only thank the two administrations that have been carrying on in that province. Don't let anybody say that anything I might state could be construed in any way to prevent the development of the natural resources of the province of New Brunswick.

A while ago the hon. member for Comox-Alberni tried to leave with the committee the implication that the hon. member for New Westminster was adverse to the development of this railway. Of course nothing could be further from the truth. He has never advocated any such thing. However, he has pointed out clearly that in order to have a proper and orderly development in the province of New Brunswick there should be free competition.

I want to speak about that free competition for a minute, Mr. Chairman. In the agreement between this company and the railway, there is a clause which states that before the railway will be proceeded with the company must guarantee to the railway a certain amount of traffic. I believe Mr. Fairweather stated on that occasion that it was something about 90 per cent.

Mr. Marler: Mr. Chairman, I think the hon. member should either reread the evidence or read what I said when the bill was before the house on second reading or at the resolution stage. There is nothing about 90 per cent anywhere in the evidence. I would remind the hon. gentleman that the traffic guarantee contemplated that the Heath Steele mining company would ship 75,000 tons of concentrates, and that if they failed

to do so there would be a penalty which would be paid by the mining company to the railway company. There was nothing about 90 per cent of anything.

Mr. Johnston (Bow River): Mr. Chairman, I am quite glad the minister made that interjection because if my memory serves me aright, when we were before the committee Mr. Fairweather said the company had agreed to give a certain percentage—and according to my memory it was between 80 per cent and 90 per cent—guarantee to the railway before it would build. The hon. member for Comox-Alberni stated a while ago, when the hon. member for New Westminster was speaking, that the hon. member for New Westminster should remember that this mine would not be developed were it not for the railway. Of course that is not true.

Mr. Barnett: Mr. Chairman, on a point of order, may I say that I said nothing of the sort.

Mr. Johnston (Bow River): The mining company have already taken the lead and they have established a going concern there. As far as the railway is concerned, it was stated to us that if there were other forms of competition it would not interfere greatly with the business of the railway because under the present agreed charge—and I am going to call it an agreed charge, not a guarantee, because we must call things what they are—

Mr. Marler: I think the hon. gentleman should follow that rule and not call an agreed charge something that does not even resemble an agreed charge.

Mr. Johnston (Bow River): When a railway goes in and makes an agreement with a company for a certain percentage of the business—

Mr. Byrne: Where is the election next month?

Mr. Johnston (Bow River): When the railway goes in and makes an agreement with a company for a certain percentage of the business, that is exactly the same procedure that is carried on in an agreed charge.

Mr. Marler: The evidence does not support that contention at all.

Mr. Johnston (Bow River): The witness the other day certainly gave that impression. Not only did he give us that impression but he stated it quite clearly.

Mr. Marler: No.

Mr. Johnston (Bow River): When we were talking about the cost of the railway Mr. Fairweather told us that it would cost about $2,800,000. When I asked him how long he expected it would take to pay that back, he said this, as appears at page 52 of the minutes of proceedings and evidence of the committee:

> A. On the present level of traffic on this line—

Not on increased traffic, Mr. Chairman, but on the present level that is there now:

> —we would have amortized our capital in a little less than 10 years.

The expected life of this mine is about 20 years. I therefore think it is quite evident that the railway cannot lose anything on this deal. I am going to say to you, Mr. Chairman, that there should be no agreed charge with the railway. I do not want that statement interpreted to mean that I do not want a railway built into that mining area. I certainly do. But I also want to see the province of New Brunswick in the position where they are going to get some decent hard-surfaced roads so as to develop the rest of the economy in that province. The railways are certainly better equipped to haul concentrates from the mine to the smelter or to the export ports, and there should be no difficulty at all in that matter.

If we are speaking about the trucking industry—and I am not particularly concerned here and now about the trucking industry—I would say they could not compete in the hauling of that type of freight. But certainly there should be no impediment to other forms of transportation entering into the development of this very rich area in New Brunswick which is just now being opened up. I think we are setting a poor pattern in Canada when we allow the railways to do everything in their power to create a monopoly in transportation in this country.

This is just another instance of where the railways—and it does not make any difference to me whether it is the C.N.R. or the C.P.R. —are entering into an agreement and the result of that agreement is that they are pushing all other forms of competition out. Certainly they are pushing them out of that field which would be in a position to give them some return. Those who are engaged in transportation in New Brunswick cannot develop an area in there in competition with a railway which has the whole business tied up.

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

Mr. Johnston (Bow River): Yes.

Mr. Barnett: Would the hon. member suggest that truckers would be prepared to build a highway into this mine to take out the ore without a firm guarantee of revenue from hauling?

Mr. Johnston (Bow River): Nobody is suggesting any such thing. I do not think the trucking concerns, if we want to confine our remarks to them, should be asked to do such a thing. Under the terms of this bill the whole government of Canada is behind the railway. It would seem that whenever a socialized project—and the Canadian National is a socialized project—is being put into operation, the hon. member for Comox-Alberni and others say it should not run any risk. That is what this railway is doing. The business is established there and, in fact is guaranteed. Now, the socialist attitude would be, and the government is getting itself right into that line, that we have to have the line there and we should cut out all forms of competition.

Certainly we want competition. How does the province of New Brunswick or any other province ever develop if it is not through the energetic efforts of private enterprise?

Mr. Argue: Through the efforts of the people.

Mr. Johnston (Bow River): My friend from Saskatchewan interrupts. I should like him to explain to this house in what single instance the province of Saskatchewan has ever had any profitable development that has not been developed by private enterprise?

Mr. Argue: Every crown corporation.

Mr. Marler: Let us talk about the bill.

Mr. Johnston (Bow River): I agree with the minister that we should get along with the bill, but I hate any steps toward socialization and the exclusion of all other forms of transportation.

Mr. Argue: What is your policy on the pipe line?

Mr. Johnston (Bow River): I will talk to you about that tomorrow, and it will not be on a selfish basis. It will be on a broad Canadian national basis.

Coming back to the bill, I wish the government would consider, when they are entering into a project like this, that every encouragement should be given to free enterprise, I do not care whether it is trucking or what it is. Free enterprise should be given an opportunity. Let me correct that and say private enterprise, so there will be no misinterpretation put upon it. Private enterprise should be allowed to enter into competition in the freight hauling, passenger hauling or any other kind of hauling along this new proposed line, so the province of New Brunswick and particularly the new area which is being developed will be able to expand and give the people of New Brunswick a chance for a better standard of living than they have had to date under the two old line parties.

[Mr. Barnett.]

Mr. Robichaud: When this bill was presented for second reading I had occasion to express my appreciation to the government and to the Canadian National Railways for wanting to proceed with the construction of this spur line in connection with the development of the minerals in New Brunswick. I can understand the enthusiasm which was expressed by Mr. Fairweather because it is in line with the report which was made in 1953 when the discoveries of minerals in northern New Brunswick were mentioned as the mining discovery of the year.

Now, Mr. Chairman, I am not surprised to see that the members from the other end of Canada, the hon. member for New Westminster and the hon. member for Comox-Alberni, are somewhat embarrassed by that situation in New Brunswick. The hon. member for New Westminster mentioned that the construction of this railway would have some effect in reducing employment for truckers and others in New Brunswick. I want to make it clear that before the mining companies approached the Canadian National Railways for the construction of this line they made a complete study of the situation. They studied the different ways of transporting minerals to the main shipping points. I have had occasion to have private discussions with certain officials of these companies, and they have been studying even the possibility of transporting minerals by air. But after careful study they decided that the cheapest, most economical way was to use the Canadian National Railways.

So far as this penalty clause is concerned, it has been mentioned as one that might restrict employment. On the contrary this penalty clause is one which means the company will have to have a certain minimum tonnage per year, and I think that will force the company to continue operations, not to curtail them, for if operations were curtailed it would also curtail employment.

Just before the recess the hon. member for Saint John-Albert expressed the opinion that the port of Halifax should not have been mentioned. I agree with him that we have in New Brunswick the port of Saint John, but we do not have to go to Saint John, which is 200 miles from the mine. Only 30 or 40 miles from these mineral deposits, we have shipping facilities just outside of Bathurst harbour. In fact last year two test pits were dredged outside the port of Bathurst as an experiment. It is proving very satisfactory. Should it be that this is not altogether satisfactory to the mines for shipping minerals out of the country after they have been processed, we have at Pokesudi, as I have mentioned previously in this house, only 60 miles from the mine, sufficient depth of water

within 200 or 300 feet from the shore to provide for deep water shipping 12 months of the year.

The hon. member for Saint John-Albert also expressed a desire to have the contract given, if possible, to a New Brunswick or maritime company. He expressed the opinion, too, that we did not have contractors able to undertake such projects. Well, I cannot agree with that statement, because in New Brunswick we have such companies as the Diamond Construction Company which already has contracts for $2·5 million in Halifax for the construction of an airport and contracts for over $3 million at Gagetown. We have other companies, such as Modern Construction and Dexter Construction, which could easily undertake such projects. All I would add is that if and when contracts are given by the Canadian National Railways, they should follow the policy of granting the contract to the lowest tenderer, if he is qualified to do the job, and not do as the province of New Brunswick did when the Beechwood contract was awarded.

Mr. Van Horne: New Brunswick is indeed fortunate to be the resting place for the immense deposits of iron ore and other metals which have recently been discovered. I welcome the construction of this railway line, which is sorely needed. I consider it a step forward. I also feel that the Canadian National has shown considerable foresight in insisting on clauses which will serve to incite the mining companies to keep in operation.

I wish to point out also that more planning could be done by the federal government to serve the mining areas in New Brunswick. I heartily agree with the hon. member for Gloucester concerning the establishment of good ports. We have the Jacquet river in New Brunswick, for instance, which is an ideal location for a year-round winter port.

Mr. Marler: This is all very interesting, but it has nothing to do with the bill. I suggest that a winter port is a topic that might be discussed on the estimates of one of the departments, but it has nothing to do with the building of a branch line from Bartibog, New Brunswick.

Mr. Green: Mr. Chairman, the question of these ports is very important. Mr. Fairweather dealt with them at some length in the committee, because they have a plan. Part of this plan is how the products of the mine are to be taken to the coast and shipped abroad. For the minister to say there can be no discussion about that, I submit, is entirely out of reason.

Mr. Van Horne: Mr. Chairman, I am sure the minister will agree that the establishment of winter ports in New Brunswick is certainly linked and should be in conjunction with the establishment of this spur line of the railway. Be that as it may, Mr. Chairman, we in New Brunswick feel that this branch line is a step forward and we welcome the opportunity to support this move.

Mr. Murphy (Westmorland): Mr. Chairman, I just have a few brief remarks to make. I want to add my word of appreciation to the authorities responsible for the construction of this rail line. I also would like to express my appreciation of the interest that hon. members from the prairie provinces and the west have shown in the recent developments in New Brunswick. I realize that perhaps they did not appreciate my intervention in western matters earlier this year, but I would not retaliate in the same manner. I appreciate their interest in our eastern developments.

Mr. Johnston (Bow River): We are glad to be of assistance.

Mr. Murphy (Westmorland): However, the hon. member for Bow River did say something about politics, which I do not think really should enter into this discussion. He will find out after the next provincial election that the people of New Brunswick pretty much like the two old line parties.

The building of this railway will enable the mines to ship the concentrates to Newcastle and thence to the other ports of the world by way of Saint John, Newcastle or the north shore ports during certain months.

The hon. member for Vancouver-Quadra put on record this afternoon the evidence given the committee of how vast our findings are. The vast findings are, of course, the reason this railway is being built. Of course other commodities will go over this line; pulpwood, for instance. Pulp boats have been coming into Newcastle and into the north shore ports for a number of years.

I stated earlier in this house that these mining discoveries in New Brunswick would necessitate improvements in transportation. The building of this railway from Bartibog to Tomogonops and to the main line at Newcastle is the first step; the second step is from Newcastle through the proposed Chignecto canal to the ports of the eastern seaboard of the United States. I will only be too happy if western members will show the same interest in the second phase of the transportation of concentrates from these mines by displaying an interest in the proposed Chignecto canal also.

Mr. Johnston (Bow River): Mr. Chairman, a while ago the minister made some reference

to a remark I had made and said there was no indication whatever in regard to the percentage of traffic that would be hauled over this line under the government's guarantee. On page 59 of the proceedings in the committee I asked the witness this question:

You said that your outgoing traffic would be cencentrates?
A. Yes.
Q. About 90 per cent?
A. Yes.

Mr. Marler: That is of the total traffic, is it not?

Mr. Johnston (Bow River): I was speaking about their orders; that is, the railways'.

Mr. Marler: Mr. Chairman, I really cannot leave the hon. member for Bow River under the misapprehension he has with regard to this proposed arrangement between the mining company and the Canadian National Railways. He has referred to Mr. Fairweather's evidence before the committee, and during his remarks he kept insisting on calling the arrangement an agreed charge. Now, Mr. Chairman, I should like to read to this committee one of the questions the hon. member for Bow River put during the course of the proceedings before the committee on railways, canals and telegraph lines. On page 53 the hon. member asked the following question:

Q. You have a virtual monopoly on the freight hauled and on the passenger service as well?
A. There will be no passenger service involved in this. We made it quite plain to the company that the highway was a more efficient tool for transporting passengers than the railway; in consequence, we have no position with regard to that.
Moreover, you are in error. There is no monopoly. They do not have to ship one pound of freight over this railway—the only thing is that if they do not ship a certain volume of the production of the mine over the railway they would be obliged to pay us a penalty.

This is the significant question, Mr. Chairman. The hon. member for Bow River said:

Q. That is practically an agreed charge, is it not?
A. No, it is not an agreed charge. You could not possibly call this an agreed charge.

Now, Mr. Chairman, in the face of the evidence from someone who is in the railroad business and who knows what an agreed charge is, the hon. member has been trying to impress upon this committee the idea that the railway here is making an agreement which is tying up all the traffic from the mine. When he spoke about a percentage a little earlier I interrupted him to say there had been no question of any percentage in that. I was quite right. Ordinarily when railways do make an agreed charge there is a condition that the shippers shall give to the railways not less than a certain stated percentage of the freight which they are

shipping. The 90 per cent to which my hon friend referred a moment ago, and which is mentioned on page 59, has nothing to do with the contract. These questions were also asked by the hon. member for Bow River:

Q. You said that your outgoing traffic would be concentrates?
A. Yes.
Q. About 90 per cent?
A. Yes.

That means the concentrates represented 90 per cent of the total traffic. Well, now, that is not an agreed charge, Mr. Chairman. I hope the hon. member for Bow River will realize that what is at issue here is a traffic agreement between the Canadian National Railways and the mining company, the purpose of which is to assure the building of the line.

I explained how the traffic guarantee would operate when we were dealing with this matter at the resolution stage and on second reading. In essence what it means is this. The railroad must make an investment of approximately $3 million in order to build this line from Bartibog to the Tomogonops river, a distance of some 22 miles. It is perfectly clear from the bill and from the explanations that have been given that the cost of the work is going to be something slightly less than $3 million, and that money is going to be spent whether traffic flows over it or not.

Once the line has been built the money has been committed irrevocably; and for that reason, Mr. Chairman, it is perfectly logical that the Canadian National Railways, when requested to make an expenditure of this dimension, should say to the mining company which is quite anxious to make use of the railroad facilities—because otherwise they would never honour the agreements—"Will you guarantee to us that you will give us a minimum of 75,000 tons of concentrates each year, or if you do not that you will pay us a penalty" which I think I said the other day was $3 per ton.

I also explained that if in one year the concentrates shipped exceeded 75,000 tons, then the excess would be credited against a deficiency in any subsequent year. What surprises me, Mr. Chairman, when I hear the hon. member for Bow River and the hon. member for New Westminster, is that they seem to resent the fact that the Canadian National Railways are taking what I regard as an elementary precaution to protect themselves against loss. Ordinarily the criticism is that the loss has been realized and that the railroad has not taken precautions to avoid it. This time the criticism is that we are taking precautions to avoid losses.

The hon. member for New Westminster complains that the railway company is not going to provide a passenger service; yet it is perfectly clear from the evidence before the committee—and the hon. member for New Westminster was present—that the arrangement between the railway company and the mining company expressly excluded any obligation on the part of the C.N.R. to provide passenger service. Why? I think it was the hon. member for Comox-Alberni who explained the geography. First of all it is longer by rail, and second it is much more economical to use a highway for the transport of people from Newcastle to the mine.

Hon. members will recall that Mr. Fairweather explained, too, that it seemed desirable that the community facilities which exist at Newcastle should serve those who would find employment at the mine, and it was much more desirable that those facilities should be used than that they be duplicated by building a community at the mine site itself.

The hon. members for New Westminster and Bow River also seemed to work up a certain amount of sympathy over the situation of the truckers. Is it not elementary, Mr. Chairman, that where we are dealing with such things as concentrates, a bulk shipment, it is natural for such shipments to be carried by rail and not by road? Hon. members know perfectly well that the concentrates, as was explained before the committee, may go almost anywhere once they have been produced; they will probably be sold and they may go overseas, to the United States or to some other part of Canada. They are not, however, going to be carried overseas by trucks, nor are they going to be carried to the United States by trucks.

The next point is that all the sympathy that is being worked up relates to truckers who do not yet exist, because there have been no shipments out of the mine. The hon. member for New Westminster was shedding tears over the unfortunate plight of those truckers who might carry the concentrates if the company decided to ship them by truck. Well, Mr. Chairman, I am not ready to join in shedding tears over people who do not already have the business. If the railways were taking it away from them I would have a certain amount of sympathy, but not too much. Here is something that properly belongs to the railways. I do not think my hon. friends should shed too many tears over these mythical truckers who so far have not carried a ton of concentrates.

In essence, Mr. Chairman, this is a very simple transaction. Canadian National Railways is proposing to spend approximately $3 million to bring rail facilities into the heart of an area which seems most promising so far as base metals are concerned. We know how easy it is for truckers to pull up, move their trucks and go elsewhere, but we all should realize it is not possible for the railway to do the same thing. Once the line goes down it would take a great deal of time and effort to get it up, and there naturally would be a great deal of capital lost in the process.

It is for that reason the railways wish to insure themselves against loss by saying to the mining company, "If you wish to have our services and if you are going to be our principal client, then guarantee that you will give us the traffic". If the mining company does not wish to give the railway the traffic and wishes instead to ship by some other means it is perfectly free to do so, but it must make good on the guarantee which they have given to the railway and which is the reason the railway is going to spend approximately $3 million for the building of this line.

There is only one other observation I should like to make, Mr. Chairman. The hon. member for Vancouver-Quadra seemed to think this was a good opportunity to get in a crack in favour of the dominion government giving the lead in the building of a customs smelter. Well, Mr. Chairman, I know that the words, "Giving the lead" are open to a very wide variety of interpretations. I can just imagine how the hon. member would lift his hands in horror if it were to be suggested that the dominion government was going to finance such a project as that—

Mr. Green: You prefer to finance United States pipe lines.

Mr. Marler: —and with his affection for private enterprise I understand that he would prefer to see it done by Canadian capital as soon as possible; but it seems to me that what we are doing now qualifies for just the sort of thing the hon. member must have had in mind, because I am sure he would not have been thinking about the things I suggested somewhat lightly.

I suggest that the government is giving a lead by seeing that the railway is built. It seems to me that is a function that can properly be carried out by the Canadian National Railways without our being accused of doing something that properly ought to be done by the provincial government, which has the primary responsibility for developing its own natural resources. It seems to me that we are giving the lead in building this line, and all I can add by way of conclusion is that everybody seems to be most enthusiastically in favour of building the line but we have been talking for an hour and ten minutes

without getting one clause through the committee. I suggest that if those people would demonstrate their enthusiasm by passing the bill then we could get on and do something about building the line.

Mr. Montgomery: Mr. Chairman, I should like to ask the minister one question because everything appears to have been pretty well covered. I am one of those who want to get on and see the bill passed. This is a forward step for our province. I did not have the privilege of sitting on the committee. A great deal has been said about the guarantee. I wonder if the minister would just explain how long that guarantee is to last. Is it just for the ten years during the amortization period?

Mr. Marler: No, the guarantee is for a period of six years. I think I can best summarize it by saying that in the six years the mining company must ship an aggregate quantity of 450,000 tons of concentrates, and if they do so there will be no penalties whatever payable under the guarantee.

Mr. Johnston (Bow River): Mr. Chairman, I want to say a word about this. I do not want the minister to think for a moment that I am against the government building the road in there; let us have no misunderstanding about that. What I want to straighten the minister out on, if I can, is that in effect the contract which is entered into is just as effective as an agreed charge and answers the same purpose. I wish to refer to the statement on page 53, where I asked a question. The minister read it a moment ago but I wish to repeat it. I asked the witness this question:

> That is practically an agreed charge, is it not?

And the answer was:

> No, it is not an agreed charge. You could not possibly call this an agreed charge.

The minister left it there, but let me go over to page 62 of the evidence, where the hon. member for New Westminster repeated the question. He asked this question of the witness:

> In what way does it differ from the agreed charge that exists on the line we are speaking of today where the proposed branch line is 22 miles long?

The answer was as follows, and I want you to notice the definition of both these things:

> An agreed charge is a particular definition of a term under which an industry in construction by a company give a certain operation rate and, given a tariff rate, contracts to send a certain proportion of its traffic by rail.

Now, let me add a word there.

Mr. Marler: Let us go on with the next paragraph.

[Mr. Marler.]

Mr. Johnston (Bow River): I will in just a moment. The company agrees to give the railway a certain percentage of its traffic and that is bound up by contracts.

Now then, the next paragraph contains the following question:

> Is that what we are doing here?
> A. No, no, this is quite a different matter, this is a traffic guarantee.

What is the difference between a traffic guarantee under which you have to ship 75 per cent of your goods over the railroad, and a guarantee under which you have to ship at least 75,000 tons over the railroad, and if you do not you pay a penalty? If that is not an agreed charge, if that is not bound up in the same term, I would like to know what it is. Mr. Fairweather continued:

> Under an agreed charge, once a man signs it he has no option. In this arrangement he does not undertake to use the railway at all. If he does not like the colour of our hair or something like that he can stop using the railway.
> Q. Is there not a guarantee?
> A. As I say, if he ceases to ship, he has to pay a penalty.

That is just as effective as an agreed charge or as any other similar arrangement under a different name. The minister must not assume that I am arguing in favour of the truckers. What I am trying to point out is that if we expect to develop all or any part of Canada it should be done on a free competitive basis. These people should be able to compete with other forms of transportation. As the minister has indicated, trucks cannot compete with the railroad in hauling these concentrates. If that is so, why should a guarantee arrangement be made? They could push the truckers right off the road. When the witness was giving evidence before the committee I believe he said that the railroad could haul this traffic for 2 cents where the truckers would have to charge 10 cents. Under those circumstances the truckers could not compete with the railroad in hauling these concentrates, so why tie the thing up under a guarantee basis such as this. I think the thing should have been left wide open so that other forms of transportation could come in and compete with the railroad and thus help to develop New Brunswick.

Mr. Hahn: Mr. Chairman, I rise because the minister seemed to think that I was shedding mythical tears over mythical truckers. If the hon. members will check my minutes I think they will find it is rarely I have occasion to refer to any questions I might have asked in the committee. However, if it becomes necessary at this time I am ready to do that.

The hon. member for Kootenay East has suggested that I am not a New Brunswicker,

but I would refer him to Beauchesne's second edition, section 21, where he will find that I have certain responsibilities in this house which I do not hesitate to share with other hon. members.

In respect to the mythical tears which I am supposed to be shedding, I would refer to page 56 of the minutes of proceedings. I referred to this specifically in the committee. I do not say that it was deliberate, but I think Mr. Fairweather misled me with certain of the information he gave. I quote from the evidence as follows:

Q. Could you give us the mileage by road from Heath Steele to Newcastle?
A. It is about 38 miles, as I recall it.
Q. Was Heath Steele mine the only mine contributing to that road which was built earlier?
A. Oh yes, Heath Steele mines to some extent, I understand, contributed to the cost of that highway.
Q. Do they operate their own trucking line at the present time?
A. No, they hire truckers.
Q. You say they hire trucks. You do not know how many truckers are in operation there at the present time?
A. No, I do not.

Mr. Robichaud: Does the hon. member know that the mine has not yet shipped any minerals?

Mr. Hahn: I realize that.

Mr. Robichaud: These trucks are being used to transport equipment to the mines.

Mr. Hahn: I appreciate that question very much. That was my purpose in asking the question, and apparently there was a misunderstanding between Mr. Fairweather and myself as to the interpretation of the purposes of the trucking. His interpretation was that the trucking was as the hon. member for Gloucester has just pointed out, for the carrying of materials from Newcastle to the mine. Today the purpose of the proposed rail line is quite apparent.

I have one further remark to make in respect to my earlier observation to which the hon. member for Comox-Alberni referred. Anyone who is at all familiar with the strides we are making in Canada knows the enthusiasm with which I like to see those strides made in any part of Canada, whether in New Brunswick, Newfoundland, Nova Scotia or British Columbia. I am sure all hon. members will be fully aware that I am certainly in accord with the construction of this line, but I would like to see the C.N.R. take full responsibility for everything that is being done.

Clause agreed to.

Clauses 2 to 8 inclusive agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

1. Departmental administration (including advisory committee on agricultural services), $670,015.

Mr. Zaplitny: Mr. Chairman, when the committee rose at ten o'clock last Thursday I was in the process of pointing out some inadequacies in the Prairie Farm Rehabilitation Act. I had said that in my opinion the act seemed to be moving backwards instead of forward. I had drawn attention to the fact that I had placed on the order paper at the beginning of this session a resolution which had I had the opportunity to move it would have called for a considerable widening of the operations of that act.

In recent months there have been two events which have caused considerable anxiety in the prairie provinces, particularly in Manitoba, with respect to the small projects or special votes under the act. I had mentioned that one of the arrangements under which a certain number of special projects had been constructed in Manitoba was an agreement between the federal government and the province, involving also the municipalities, under which the federal government paid approximately 50 per cent of the cost while the province shared the other 50 per cent with the municipalities.

While those conditions were appreciated as being better than nothing we found that in many cases, because the full project hinged upon the ability of the local municipality to pay its share of the cost, which ran in the neighbourhood of one-sixth plus the right of way, those municipalities which most needed the drainage or flood control projects were least able to meet the cost. For that reason, in many cases where these flood control measures were required they were not carried out because, as I said, the first move had to be up to the municipality.

Since that time two things have happened that have caused concern in Manitoba. Earlier this year—I think I mentioned this in the house before—the Minister of Agriculture had notified the provincial minister of agriculture in Manitoba that when the provincial government wishes to have a survey made in order to establish the feasability of a particular project with regard to flood control, whereas in the past the federal government was willing to lend the services of the P.F.R.A. engineers at their own cost, in future the province would have to pay for any such survey out of their own treasury.

That in itself, in my opinion, was instrumental in holding back a number of surveys the provincial government would like to have had carried out.

Later on this year there was another change made in the arrangements, and that involved the sharing of the cost. I have also already described this. Under a special vote the federal government was prepared to pay 50 per cent of the cost of these small projects. Later on the federal government took the position that any future joint undertakings of that nature would be carried out under the water conservation act rather than under a special vote of the P.F.R.A.

I have in my hand a clipping from the Winnipeg *Free Press* dated March 7, 1956, which I think indicates how widespread the concern was in that province. In fairly bold headlines the news item reads as follows:

Ottawa Chops Aid In Flood Projects

It then goes on to describe what had happened in these words:

Ottawa has blasted Manitoba hopes for a possible 100 per cent federal payment on large flood protection projects in this province.

Speaking in the legislature Tuesday night, Premier D. L. Campbell said he understood that in future flood protection and remedial projects would come under provisions of the water conservation assistance act—rather than under the Prairie Farm Rehabilitation Act.

Further down in this news item it describes what the effect of this new policy would be, in these words:

This would cut federal aid by 60 per cent in some cases.

Under the water conservation act, the federal and provincial government each pay 37½ per cent of the cost for projects approved by both parties. The other 25 per cent would be levied against municipalities.

May I just pause there to point out that if this policy is carried out it will be adding a further burden to the municipalities, which already in many cases were not capable of carrying even one-sixth of the cost of these projects, which were very necessary in our province. If this policy is carried through they will be asked to contribute 25 per cent instead of approximately 16 per cent, as was the case before. The news item goes on further in these words:

The change has dealt a serious blow to Manitoba's hopes to have P.F.R.A. undertake at least two large projects, the widening and controlling of the Fairford river channel, leading from lake Manitoba to lake Winnipeg, and some work on flood protection for the Red river valley.

Then it goes on in greater detail. Just in case the Minister of Agriculture might think this is only the view of one of the newspapers of my province—

Mr. Gardiner: I rise on a point of order. The fact is that these particular works of which my hon. friend has been speaking have never been under P.F.R.A. at any time. They are not even within the P.F.R.A. area. They are outside the P.F.R.A. area altogether. They have always been, if they are under any activity from here at all, under the same setup as now. The bill that was passed a few years ago was simply defining what share of the work was to be paid for by the province and what share by the federal government. It was 37½ per cent for each, and 25 per cent was to be paid by the municipality concerned. That never was under the P.F.R.A. at any time. There has been no change in policy, and it has nothing whatever to do with my estimates.

Mr. Zaplitny: If that is the case then certainly the minister of agriculture in the province of Manitoba should be so informed, because I was just about to place on the record the comments that minister made with regard to the very things of which I am talking. That is here in the next day's issue of the Winnipeg *Free Press* in the following terms:

Manitoba's agriculture minister Hon. R. D. Robertson, Wednesday expressed dissatisfaction of federal government failure to implement a single flood control and soil conservation policy for Canada, or at least for the prairie provinces.

At the same time, he said he was "displeased" over the dominion's new water control formula, under which Ottawa and the province bear equal shares of 75 per cent of the cost of such measures, with municipalities absorbing the remaining 25 per cent.

The minister may say that the water conservation act does not have any direct connection with the Prairie Farm Rehabilitation Act, or that these special projects do not come within the Prairie Farm Rehabilitation Act, and he may be technically correct.

Mr. Gardiner: It is not a matter of being technically correct at all. There is nothing in the P.F.R.A. estimates that touches anything of which my hon. friend is speaking. The activities in his own constituency, having to do with the Dauphin area, are under an agreement between the Department of Agriculture here and the department of agriculture in Manitoba. There is some money voted for that particular project, but it is not under the rehabilitation vote. The rehabilitation area is defined as the basin of the Assiniboine river, in so far as Manitoba is concerned—not in that section of Manitoba that is represented by my hon. friend from Dauphin. Nothing at all outside the basin of the Assiniboine river comes under P.F.R.A. It is all under some other special arrangement whereby the province does the work.

The Chairman: Hon. members will realize that I am perhaps fairly unfamiliar with

P.F.R.A., but the minister has raised this point of order. A short time after he did so the hon. member for Dauphin proceeded to read from a newspaper clipping which, it would seem to me, would indicate that the expressed point of order is well taken. I would therefore ask the hon. member for Dauphin to confine his remarks to subjects which could properly be taken up under the first item of the estimates of the Department of Agriculture.

Mr. Zaplitny: Mr. Chairman, I shall be very glad to follow your suggestion. I shall not need to review what I have already said, but I think we can agree on this much with the Minister of Agriculture, that as he has himself stated just a few minutes ago, certain arrangements have been made between his department and the department of agriculture in the province of Manitoba. Certainly those arrangements must concern the administration of the Department of Agriculture here, and, to the extent they do, I submit that certainly it is in order to discuss those arrangements. I shall refrain from any further reference to the Prairie Farm Rehabilitation Act until we come to that particular item, if that is more convenient.

Mr. Gardiner: We had better get it all understood to begin with. My hon. friend was speaking of the connection between lake Manitoba and lake Winnipeg. That is not in the P.F.R.A. area, and we have no arrangements whatsoever with regard to that. He reads from the Winnipeg *Free Press* to indicate that at some time or other, P.F.R.A. had taken care of flood conditions around those lakes. P.F.R.A. does not take care of flood conditions around those lakes. Those are under the province, unless they make an arrangement under the act spoken of, which comes under my hon. friend the Minister of Northern Affairs and National Resources, and not under this department at all.

Mr. Zaplitny: I fail to see why the minister should raise any further objection to what I am saying, Mr. Chairman, because I have already stated that regardless of what act may be involved with respect to the arrangement I mentioned between the Department of Agriculture here and the department of agriculture of Manitoba, it is a fact that to the extent that this Department of Agriculture is involved in these arrangements the matter comes under the administration of the minister; and without mentioning any act whatsoever, I think it is perfectly in order to discuss that phase of the department's administration.

In any event I have said almost all I need to say about that matter, except to indicate that in Manitoba we have had, over a period of years now, extremely serious flood conditions in different parts of the province. The minister of agriculture of Manitoba has on many occasions stated that what is needed is an over-all policy or an over-all arrangement under which certain projects can be undertaken jointly by the province and the federal government. I agree with him. I am hoping that the Minister of Agriculture here will in the future be able to offer to the province of Manitoba something along that line under which there would not be placed upon the municipalities the burden that is now placed upon them. I want to say to him quite frankly, and I think he is well aware of this fact, that in many cases excellent ideas with regard to flood control projects have gone by the board.

The Chairman: Order. I am sorry to interrupt the hon. gentleman, but is this not the very type of discussion which the minister indicated most certainly did not come within the purview of his department?

Mr. Zaplitny: I think you will recall, Mr. Chairman, that only a short time ago the minister said that certain arrangements were made between his department and the department of agriculture of Manitoba. If that statement holds true, then certainly it involves the federal Department of Agriculture. To the extent that it does so—

Mr. Gardiner: If I might explain the position it might help. I think if my hon. friend would keep within the rules he would not get into any difficulty. In the estimates there is an item that covers what my hon. friend is speaking about. There is a particular item under the special votes. When we come to that item we can, of course, discuss the matter with the information here before us.

Practically the only undertaking of the kind which is referred to is the one which is in his own constituency and which results from water coming out of the government park, from the Riding mountains down and across toward Dauphin. There is an arrangement between the provincial government and the federal government—this department—with regard to that one project. But that project is done by the province and our share of the cost is provided for in a definite vote and it is not the appropriate thing to be discussing in general discussion on the first item.

Mr. Zaplitny: Mr. Chairman, I do not want to be hard to get along with. I shall be quite content to wait until we reach the item the minister has mentioned with regard to this special vote in order to pursue this matter further. The minister has just said

that under this first item it would be more appropriate to discuss general policy with regard to agriculture. In the time I have left at my disposal that is what I propose to do.

One of the matters to which I should like to make reference is the question of agricultural surpluses. From time to time in this house we have been told that we have surpluses of grain or surpluses of other farm products, and various ideas have been put forward as to what can be done about the matter. I notice that at their annual convention recently in Hamilton the Canadian Federation of Agriculture made some recommendations with regard to surpluses. I have in my hand a clipping, under date of January 27, 1956, which refers to one of the proposals in these words:

> Delegates Thursday approved a plan calling for an international surplus disposal agency to distribute food with the least amount of disruption of normal markets.

Then further on:

> The federation advocated an orderly food marketing program through international action and careful consideration of methods to distribute surpluses to needy persons in this country.

The reason I mentioned that recommendation at all is to underline the fact that if this parliament or this government is interested in an international food distributing agency, the first step that must be taken is to have a national food distributing agency which could work in conjunction with the international body. I think there is there a great field that has not been scratched, one in which nothing definite has been done.

While it also of course involves other departments besides the Department of Agriculture, I would certainly recommend that the Department of Agriculture make a study of what can be done first of all in our own country to set up something in the nature of what is referred to as a food bank, or a method of seeing to it that as long as there is need for food in any corner of the country, some method may be found to distribute that food to needy people. Then I would recommend that they take the next step and work out a system of co-operation between the national food bank and an international body in order that food which is produced may be used and utilized to the best advantage.

We often talk of surpluses as though they were a burden or a misfortune of some kind. I think it is time we realized that a good supply of good food is the greatest blessing known to mankind. It is the kind of blessing which is not known all over the world. I think we should turn that blessing to the advantage of the nation rather than to its disadvantage.

[Mr. Zaplitny.]

Along the same line I should also like to recommend to the department that a great deal more research be done with respect to the utilization of agricultural products other than as food. First of all, I want to say clearly that certainly agricultural products should be utilized as food as the No. 1 use as long as there is need for them in that form. But let us suppose that we have reached the stage in a certain line of product—say grain—where all the needs so far as food is concerned have been looked after both domestically and, so far as we can, internationally; yet we have an absolute surplus. In that case I think some attention should be paid to the finding of ways and means of utilizing these products for purposes other than as foodstuffs.

Some research work has been done by our own national research council and in other laboratories across the country and in the country to the south of us. I feel that all that kind of research is still in its infancy. If a concerted effort were made to do the necessary groundwork, the necessary pure research and then the applied research, I believe we could find perhaps hundreds of ways in which agricultural products can be used for purposes other than as food. It is not, of course a new thing. For example, we know that we are now utilizing sugar beets for the manufacture of sugar. We are utilizing many of our grains for what can hardly be described as food purposes. For instance, our brewing and distilling industries in this country are making a product which, in my opinion, is not a food but which is an extremely profitable product. In fact so profitable is it that those who utilize our malting barley seem to find it quite possible to make substantial contributions to political parties out of their profits.

Mr. Studer: Not in Saskatchewan.

Mr. Zaplitny: In other words—

The Chairman: I am extremely sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. McBain: At the outset I should like to put on the record a few figures showing how the prices of agricultural products have decreased since 1952. Cash farm income from the sale of farm products and the participation payments in the previous year's grain crops in 1955 amounted to an estimated $2,352,600,000. This was 1·8 per cent below the 1954 total of $2,395,300,000. This figure was 17·4 per cent under the all-time high of $2,849,300,000 in 1952. I think we all agree and realize, as many speakers have stated, that the earnings of farmers are extremely low.

This fact is borne out by the statistics on incomes of the different occupations, and those statistics also make no allowance for the fact that the farmer requires very heavy capital investment. Interest and depreciation on that capital must be deducted from the reported earnings of a farmer if he wants to find out what he has got for his labour. When this is calculated the farmer finds he has been receiving a very meagre hourly wage for his labour.

I am going to take the year 1953, which was possibly an average year. In that year some 205,000 farmers in Canada filed income tax returns showing an average net income of only $2,125. These 205,000 farmers who filed returns paid in taxes some $25 million, or an average of $122. In that same year of 1953 only one-third of those who filed tax returns were declared taxable. I think I would be safe in saying that based on the figures of net return as tabled by the minister in his opening remarks, when the returns for 1955 are filed they will show that a very low percentage of those farmers will be taxable. Where else can you get a better picture of the depressed prices the farmer is receiving today?

Mr. Chairman, the farmers of Canada are now entering the planting time of another crop year. The future, so far as prices and cost of production are concerned, is not by any means bright. The importance of agriculture and of the farmer can well be exemplified by an article by Gordon Sinclair as taken from *Liberty* magazine and published in the weekly Dutton *Advance* of April 25, 1956:

> With the bursting of the first furrow to ooze a fragrance of spring Canada's thousands of farmers are heading back to the soil to risk their health, fortune and patience on another crop year.
>
> These farmers are the captains of the earth. We could do without politicians, bankers, or writers, but not without the farmers.
>
> There is no urgent need for editors, broadcasters or salesmen. Stenographers are no more essential than are trappers, yacht-builders or diamond-cutters.
>
> But the farmer is the one essential man without whom no city dweller can long survive. Yet he is often the patsy, the fall guy for costly schemes of someone else's design. He gets no paid vacation, no 40-hour week, no pension scheme and no paid time off for illness. He provides his own parking.
>
> He has to possess, set up, and work his own business, depending on nature and his personal gifts of intelligence to make it pay. He takes daily risks of both financial and physical nature. Yet he is taken for granted, sometimes looked down upon, and occasionally ridiculed as a yokel or bumpkin.
>
> No Canadian has more built-in integrity and self respect than the farmer, but he gets the worst deal of any citizen in this rich land.

Mr. Chairman, does the farmer have to wait for an expansion of industry that will provide a large consumer market for farm products and which will provide also employment for that part of the population born on the farm but now no longer necessary as agriculture labour? Mechanization of the farm industry is steadily reducing the agricultural force. In the past 15 years the area under cultivation has increased but the farm labour force has decreased from about 1,300,000 to about 800,000.

The total population and the effect of immigration on that total is a factor that will influence the prosperity of farmers and all Canadians. If Canada had twice her present population, the whole market for farm products and all products would be just that much greater and dependence on foreign markets that much less. I think also the government should take another look at the trade agreements and tariff protection. I am sure many hon. members in this house have received a request from the turkey growers for a more equitable tariff. Why are these turkey producers asking for this more equitable tariff? I think the following figures will show why.

Inspected imports of dressed turkeys up to the week ending April 14 were 944,406 pounds, compared with only 303,605 pounds at the same date a year ago. This is an increase of three times, I would say. Total imports of all dressed poultry at the same date are high, being 3,058,166 pounds, compared with only 911,229 pounds at April 14, 1955. This aggravated the situation further. If this stepped-up trend of imports continues, it is more than likely the entire poultry industry will be adversely affected, as our total potential poultry crop is up. It is about in the same position as the turkey crop, as there were 10·1 per cent more eggs in hatcheries during the past 12-week period than during the same period last season.

At the same time we have had very little export of turkeys. As of April 14 of this year, 3,129 pounds were exported compared to 1,689 pounds in 1955, but none of this would be going to the United States. This whole lot could well amount to only some 150 turkeys weighing about 21 pounds each. For several years past this trade has been a one-way street from south of the border into Canada. The Canadian tariff is 12·5 per cent ad valorem, which on low-priced turkeys is not a reasonable protection. The rate of duty going the other way, from north to south, was a straight 10 cents per pound on dressed turkeys. United States interests readily agreed that it was not an equitable break, and they were largely instrumental in having their duty reduced to 5 cents a pound, a gesture of good will which may come in handy some

day though exports to the United States do not appear likely to be on the increase.

Canadian growers of turkeys are looking for some action by the federal government, and certainly are not unreasonable in their request that the present 12½ per cent duty ad valorem be retained and that a minimum of 5 cents a pound be established. This should apply to both eviscerated birds and New York dressed birds.

This heavy tonnage of imported turkey meat affects the economy of Canada in another way. In round figures that tonnage if produced in Canada would consume approximately 1 million bushels of grain, and we have plenty of that which seeks a market at the present time. Consider another point; home dressed turkeys also need equipment and other requisites from hatching egg to grown birds. There is also a market in Canada, we understand, for some United States turkeys. I think in Canada we could probably consume up to 6 million or 7 million pounds a year, and we would expect a reasonable increase each season. But judging by 1955 and the four-month period of 1956, imports are too high and Canadian growers need a modest tariff to protect them against the lower production costs of the United States.

Over the past number of years the Canadian turkey producers' association have done an excellent job of marketing, and have created a market for their product 12 months of the year. I would hope that the Minister of Agriculture, along with the Minister of Finance, would give very serious consideration to this request of the Canadian turkey producers for more favourable tariff adjustment.

Not many years ago federal and provincial governments listened readily to the farm voice, because at that time the farm people made up a large percentage of the population. But that is true no longer. The manufacturing industry has taken over, and it now controls 25 per cent of the labour force as against 15·8 per cent in agriculture. It accounts for 55 per cent of the value of products produced in Canada, as against 15·4 per cent for agriculture. In the year 1901 about 40 per cent of Canada's labour force was engaged in agriculture, with about 16 per cent in manufacturing. The value of products produced was roughly in the same proportion.

What does this all mean? It means that we are becoming more of a manufacturing nation. At the present time Canada rates seventh in production in the world; therefore governments will listen more readily to the manufacturing people. The non-farm people will increase in number and therefore will acquire more voting power, so the government of necessity will turn its ear more in that direction. It is true that more industry will provide more markets and help ease farm marketing problems, but it still will not give the farmers a bigger share of the consumer's dollar.

I have gained the impression that the majority of Canadian farmers are not strongly politically minded; that they are more interested in the quality and yield of their crops and the building up of their soil than in politics. On the other hand, farmers as a whole take more interest and are better versed in the affairs of government than many groups of people. Governments in the past have realized this and have devoted their efforts to helping solve the problems of producing quality products in paying quantities. But the success or failure of each individual farmer is his own responsibility, and this is as it should be. He should be in a position to make his own decisions on both production and disposal of his crops.

But what do we find now? We find that farmers have to depend more and more on the government for the marketing of their crops; but trusting all things to government is like trusting them to Providence. They have to accept whatever happens and console themselves with the thought that it is God's will.

This government is composed of mere men, Mr. Chairman, some of them tired men, men with other things besides agriculture on their minds and other fish to fry. Is their chief concern to keep themselves in office, and is their judgment at times so influenced? I know there are times when the Minister of Agriculture has been sincere in his efforts to bring in measures that would assist farmers and the agricultural industry, but he always has that old alibi that the cabinet will not consider it. I sincerely hope that before the estimates of the Minister of Agriculture are passed he will be able to assure this house and honestly assure the farmers of Canada that they are not entirely forgotten people.

Mr. Hahn: Mr. Chairman, the question I have to place before the minister for his attention affects the largest number of farmers in the province of British Columbia. I notice in a table compiled in *Country Life* for the month of April, 1956, that the Fraser valley, which has a population of over 649,000 people has 44,961 devoted to farm work. The particular problem that faces them is this. It was my pleasure to be in a theatre one evening, and the story of the dikes under the Maritime Marshland Rehabilitation Act of 1948 was portrayed. The problems of those people are similar to the problems that we have in British Columbia along the lower mainland.

After seeing the story portrayed in that theatre I felt that what is good for one part of Canada is good for all of Canada, especially since that particular act is in effect in the maritimes, the Prairie Farm Rehabilitation Act in the Palliser triangle of the prairie provinces, and certain special grants are in effect in British Columbia and other regions of Canada.

In my own region we have certain problems with respect to diking. There are four diking areas which front on the Fraser river, namely the Derby diking district, the Barnston island, the East Langley region and the south Westminster region. Of those which are subject to tidal water there are the Surrey, the Colebrook and the Mud bay diking districts. The problem in so far as drainage is concerned in this rich agricultural area, which is actually the area having most of the market gardens in the lower mainland, is a very distressing one for farmers. The problem of these people is almost identical in many respects to the problem of the marshland regions of the maritime provinces.

The dikes along the Fraser are subject to three causes of erosion, namely natural river erosion, swell which is caused by the river boats, and certain work left undone following the flood year of 1948, which actually causes the flooding. In the diking areas of Surrey, Colebrook and Mud bay there are two other reasons which make it necessary that this be given practically immediate attention. There is the drop of the land level which is caused by the working of the peat lands, and second the run-off of water has increased over the past few years. The diking areas of Surrey, Colebrook and Mud bay are on the Nicomekl river and the Serpentine river.

Four schemes have been proposed that might be of some help. One is the raising of the river banks to a height of possibly two to four feet. Another is dredging which could be used, of course, in cleaning out the rivers and for filling the banks to the level of two or four feet, whatever the case might be. There is also the possibility of straightening the rivers, and finally there is the diversion of the upland waters.

The minister is quite familiar with this problem, at least to a degree. I have a great deal of correspondence not only in relation to this diking area but in relation to many others. The minister received a brief from the three diking regions I mentioned earlier, namely the Mud bay, the Colebrook and the Surrey areas in which the problem of flooding was drawn to his attention and certain requests were made of him. The brief was dated February 27, 1956, from Cloverdale, British Columbia; it bears the wording "Drainage of Serpentine river and Nicomekl river diked areas in British Columbia," and is addressed to Hon. J. G. Gardiner.

I do not intend to read the brief, but it explains very carefully and in considerable detail the reasons for the flooding of the land. It explains that the slopes above the valley have been cleared of some brush and trees, with the result that the water run-off is much greater than heretofore. It also goes on to explain that there are some 65,000 acres of rich farm land the run-off of which is running into the lower region consisting of some 13,000 acres or more of diked area.

The brief goes on to explain—and this thought struck me as I read the brief and as I remembered seeing the movie I mentioned—how realistic these people are in respect to their problems. I find that they draw attention to what they can see is happening at this time. As I remember the movie with respect to the marshland drainage area it became apparent to the farmers that something had to be done. When the assistance they called for in the form of neighbourly help was not forthcoming a mutual decision was finally arrived at because of the heavy rains that took place.

We have here an instance where the farmers were very realistic. They discovered the reasons for their problems. They have also seen what has happened with respect to their fine rich farm land. They are sufficiently realistic to realize that if something is not done at this time, the danger will be aggravated that much more in the very near future.

The brief goes on to point out that the losses in 1955 were well over $100,000. This is a matter which has not grown up overnight; it has developed over a long period of time. The brief explains that 30 years ago there was no need for dikes. The water run-off at that time was very slow; the hills had trees on them and the snow was slow in thawing. The run-off was very gradual, with the result that no dikes were required. Twenty years ago, however, the problem became somewhat aggravated and as the population increased it became apparent that dikes would be needed.

They began to do some diking. Approximately 44 miles of diking was done in that area, which caused the setting up of the diking boards. Ten years ago there was practically no problem, because the rivers carried the run-off; the dikes served the purpose for which they were built and the increased population, which of course brought about the clearing of trees from the hills, had not reached the point where the problem was affected materially.

Today, because of the tremendous growth in population, every acre of available land in that area is being used to supply the lower mainland with food products, and it has become necessary for the farmers and the government to take note of what diking is required in that area. The farmers are in the same position as they were in 1938 when they first began their diking projects. That is the situation which faces them today.

Let it not be said that these diking boards did not try to help themselves. Surrey has spent $764,976.62 on the building of dikes. Colebrook has spent $70,768.64 on the building of dikes. Mud bay has spent $38,236.51 on the building of dikes. This represents a total expenditure by the three diking boards of $873,981.77.

Mr. Gardiner: Mr. Chairman, on a point of order, I enjoy all this but it does not come under my estimates. Any diking which this government does on the Fraser river and other navigable streams is done under the Department of Northern Affairs and National Resources, and the other portions are done under the British Columbia government which my hon. friend helped form. I think he ought to talk to them about that part of it.

Mr. Hahn: Mr. Chairman, the Minister of Agriculture, whom I respect very highly and to whom I always enjoy listening because he is the finest skater in the House of Commons, has brought something to light here which I think is very important in relation to this particular problem. In view of the statement he has just made concerning the Department of Trade and Commerce I am rather surprised that he has not referred to that department for their consideration the correspondence sent to him by the various municipal bodies.

I have here a letter from Mr. J. G. Taggart, the deputy minister of agriculture, dated February 6, 1956, referring to this particular problem, which says in part:

> In the third place, if for any reason the services of P.F.R.A. engineers are desired from municipalities or provinces we can make those services available only if the engineers are not fully engaged on their regular duties and on condition that the requesting authority will pay the actual cost of the work. That being the case, if the provincial authority is unable to do the work and wishes to have us undertake any survey work, the first thing to do is for that authority to define the work that is wanted and the reasons they cannot do their own engineering in order that we may indicate whether we can undertake it on their behalf.
>
> In short, we can authorize our engineers to make general or particular surveys only with respect to projects which come within our field of responsibility directly or as a result of an agreement with the province.

Mr. Gardiner: That is correct. The advice given is that if we have engineers who are not busy and either the province or the municipalities require them, if it is a municipality they would make application to the province to have the work done. If the province said they had no engineers to do the work they would ask us to send engineers who were not employed, and they would agree to pay them. We would send out the engineers who would then become their engineers until the project was finished. That is a provincial and municipal job, it is not ours.

Mr. Hahn: The minister has suggested a certain procedure. The brief I was reading was presented to the minister, and one was also presented to Mr. W. K. Kiernan, minister of agriculture of British Columbia. A copy of a letter which the minister of agriculture of British Columbia sent to the right hon. Minister of Agriculture here, dated March 21, reads as follows:

> The provincial government is prepared to participate in the cost of such a survey, jointly with the diking district and the federal government.
>
> The changing nature of this drainage basin, brought about by development of the surrounding lands creates a major drainage problem, the magnitude of which is beyond the scope and ability of the diking district.
>
> A major engineering survey must be made. If the flooding is to be prevented in the future, all further construction work should be done in conformity with such a plan so that the end result of such expenditure would be the completion of a drainage system of sufficient capacity to cope with the total volume of water liable to originate in the drainage basin and run off through the constructed works.
>
> The provincial government, therefore, endorses the brief of the above diking districts, that is the Surrey, Colebrook and Mud bay diking districts, and solicits the services of P.F.R.A. engineers and the financial support of the federal government in this project.

I think that complies with what the minister has said. That is the reason for my rising on this particular question. Then there is a letter dated April 9, 1956 from the Minister of Agriculture to Mr. Hugh, a copy of which was sent to me. This reads in part:

> I should like to say in reply that this same type of drainage problem has been considered previously by the government and was rejected on the principle that the organization, financing, and administration of drainage areas falls strictly within the field of provincial and local responsibility. In the circumstances it would not be appropriate for me to raise the question again and become involved in direct negotiations with the local authorities on a question of this kind.

The minister was perfectly right in the answer he gave. He says it is not his job, that it is a problem for the local authorities. However, the provincial government have made representations to him. They have indicated that they are not in position to carry out this work and have requested assistance. Assistance of engineers is provided for in

the act. It now becomes necessary that representations be made here that such engineers be made available to do this particular survey job.

Someone in this group suggests that it is a case of passing the buck. I would prefer to think that it was a case of the three levels of government not getting together. I am satisfied that if the minister were to give this matter the consideration which he is probably capable of giving there would be a change, and he would indicate to the province that the P.F.R.A. engineers are not too busy and that this is one of the purposes for which they are employed. We cannot blame the municipal diking districts for the problem which is going to be theirs within a very short time.

Mr. Byrne: You have a few unemployed engineers out there now.

Mr. Hahn: The hon. member for Kootenay East made a very interesting point. Everyone in British Columbia knows that our engineers are so busy building roads, railroads and bridge projects that this government has failed to do, has failed to take the responsibility for, that they are not available for this type of work. We have no engineers who have made it their business to be familiar with P.F.R.A. or this special work.

An hon. Member: Send some out.

Mr. Hahn: I am pleased that the hon. member for Victoria suggests—

Mr. Fairey: I did not say a word.

Mr. Hahn: Probably it was the hon. member in front of him.

An hon. Member: Wrong again.

Mr. Hahn: It was suggested that they send us some. That is what we are asking for.

Mr. Gardiner: Will my hon. friend permit me to give him this information? The P.F.R.A. does not operate in British Columbia, it operates only on the prairies or in the prairie farm rehabilitation area.

Mr. Hahn: The Palliser triangle.

Mr. Gardiner: The Veterans' Land Act people have established some veterans in British Columbia in the vicinity of Kamloops and in the Kootenay district. They asked to have some men who had worked on the P.F.R.A. give them some assistance, and offices were established at Kamloops and other places in British Columbia. They were prepared to do work having to do with the settlement of veterans on land. Those engineers are called P.F.R.A. engineers simply because they came from the P.F.R.A. service and have been working in those areas, but their work has to do with work carried on as between the provincial government, the Veterans' Land Act people and this organization which operates chiefly on the prairies.

Because they are there to assist in that kind of work the government naturally suggested that these engineers ought to go and do some other work. However, the position taken by the government here, not necessarily my department but by the Department of Finance, is that when these men go out there they must be paid by either the municipality or the province and not by this government. To that extent they are just engineers who have been loaned by us to one or other of those authorities.

Mr. Hahn: It was stated in the brief that in addition to the huge sum of money which I indicated earlier as being $873,981, the British Columbia government have contributed $10,000 to the Mud bay diking district to assist them in repairing a break in their dike.

Mr. Byrne: What did the federal government pay in 1948?

Mr. Hahn: That was declared to be a disaster area in 1948, and I am quite satisfied that the federal government was quite aware of its responsibility in that instance. No one appreciated that more than we in British Columbia did, but we would like to see them finish the job they left undone at that time. There are certain portions of the dike that have not been completed, and not all these particular ones to which I am referring at this moment. The petition reads as follows:

> We believe that no other organization in Canada is better organized and equipped to make such a survey and report than the P.F.R.A. We wish to ask you to declare the drainage of the Serpentine and Nicomekl rivers to be a reclamation and development project, and to make a grant thereto sufficient to take care of the necessary survey and recommendations for its orderly development.

The minister in his letter, if he will recall, suggested that the province was quite willing to share in that cost, and I think it is only—

Mr. Gardiner: I did not know whether or not the province was prepared to take part in it, except where we made definite arrangements through the Department of Veterans Affairs.

Mr. Hahn: The letter dated March 21 from the minister of agriculture for the province, which the minister received some time after that, contains the following:

> The provincial government is prepared to participate in the cost of such a survey, jointly with the diking district and the federal government.

The point I am trying to make is that there is a responsibility here. The diking commissioners realize they are going to have a very grave problem to face in the next short period of time. The fact is that they have a major degree of flooding each year at this time. All that is being proposed by the government of British Columbia in this particular instance is the assistance that we should be expected to get through these special engineers, or through the engineers whose job it is under the P.F.R.A. to work in special regions to get this engineering done. Until such time as they tell us exactly what needs to be done and how best to do it, nothing can be done on this particular project.

As I indicated when I began my address, if it is good for the maritimes to have this marshland rehabilitation act in effect, if it is good for the P.F.R.A. to be in effect in the Palliser triangle, I claim it is just as good—and I am satisfied the hon. member for Dauphin will agree with me—that this should become applicable across Canada, because we have that problem. The hon. member for Okanagan-Revelstoke, early in the year, said, "Let us change the name of the P.F.R.A. to the national farm rehabilitation act, and let us make it do a job for the people of this country." I am satisfied that the farmers in this country will thank the Minister of Agriculture if he sees fit to do so.

Mr. Gardiner: It is almost ten o'clock. I think if my hon. friend will bring the matter up on items 44 and 45, those are items where there is money provided for British Columbia. It is not under P.F.R.A. I am just trying to straighten out the committee on what we are talking about. It is not a P.F.R.A. vote.

Mr. Hahn: Before we go any further on that, may I say this. The minister suggested that it be brought up under item 44 or 45. Possibly item 45 would be the better one so far as I am concerned, because the $70,000 suggested under item 44 is hardly adequate to do a reasonably good job across this country.

Mr. Gardiner: I shall be telling you that we have discontinued it, and we have just put in enough to clean up what we are doing.

Mr. Nicholson: I am sure the Minister of Agriculture will remember 1956. It was three months ago today that the minister proceeded to get his estimates approved by the house, and members will recall that that was the date we ran into some trouble with margarine in the province of Quebec.

An hon. Member: The minister did.

Mr. Nicholson: Yes, the minister did. The rest of us followed the incident with a good deal of interest. Then a week ago today—

[Mr. Hahn.]

Mr. Knowles: He slithered out of it.

Mr. Nicholson: —when we were on the estimates, we had the most unusual experience of finding ourselves discussing estimates without any minister in the house. Since I came here in 1940 that had never happened before. Whilst the minister said that his parliamentary assistant would be able to answer all the questions, it is a tradition that a minister responsible to the crown should be on hand, and it is usually a tradition that another cabinet minister be here in case certain amendments are to be moved.

There was another interesting development last Thursday. At the time when my colleague, the hon. member for Assiniboia, had a chance to speak, there had been four Liberals speaking, a Liberal for every member of the opposition. That is quite significant, because it points up the fact that, in spite of what the Minister of Agriculture and the Minister of Trade and Commerce say about farming being so prosperous, four Liberal members in this house—the hon. member for Wellington South, the hon. member for Norfolk, the hon. member for Kent and the hon. member for Northumberland—all felt obliged to stand up in their places and make speeches which, though not as critical as the speeches we made, were nevertheless speeches that they will be able to take back to their constituencies, and they will be able to say, "When the Minister of Agriculture was before the house, I said so and so".

Mr. Weir: Is that what you do?

Mr. Pickersgill: This is very revealing.

Mr. Nicholson: I am suggesting that private members on the government side are taking out a little insurance so they will be able to—

Mr. Weir: That is what you have been doing all the session.

Mr. Nicholson: I have not had a chance to review what has been said.

An hon. Member: Ten o'clock.

Mr. Nicholson: I shall have to wait until tomorrow.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: The Minister of Finance asked me to say that tomorrow we would conclude these estimates and then take up justice and transport.

An hon. Member: In that order?

Mr. Pickersgill: In that order.

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

ANSWERS TO QUESTIONS

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

CIVIL DEFENCE

Question No. 441—**Mr. Castleden:**

1. Who is the civil defence co-ordinator?
2. Has he power to veto provincial defence programs?
3. What federal control is exerted over provincial civil defence programs?
4. Does federal civil defence make any financial grants to assist provincial civil defence programs organized to deal with peacetime disaster?

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

1. F. F. Worthington.

2. The federal co-ordinator has no power of veto over provincial civil defence programs. His function is:

(a) to co-ordinate federal planning and action;

(b) to co-ordinate and advise provincial and municipal authorities; and

(c) to maintain liaison with corresponding agencies in the United Kingdom, United States and other countries.

3. No direct federal control is exerted over provincial civil defence programs but every effort is made by co-ordination, liaison and advice to ensure that all provinces are planning, organizing, and developing civil defence programs along suitable and comparable lines.

4. No.

R.C.A.F. TRANSPORT COMMAND

Question No. 457—**Mr. Dinsdale:**

1. What aircraft are operated by the R.C.A.F. transport command?
2. How many air miles did each of these aircraft fly last year?
3. How many multi-engined aircraft are required to make a fully equipped infantry brigade airborne portable?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1 and 2.

Aircraft operated by R.C.A.F. Transport Command in 1955	Air miles flown in 1955 (Estimated from number of hours flown)
Lancaster	772,570
North Star	4,642,110
C-119	2,709,860
Canso	318,125
Dakota	1,797,690
Expeditor	417,615
Sabre	2,754,450
T-33	627,900
Otter	629,600
Sikorsky-55	327,860
Sikorsky-II-34A	15,210
H-21A	50,720
Total	15,063,710

Questions

3. The number of multi-engined aircraft required to airlift a fully equipped infantry brigade in one operation would depend on the type of aircraft used. If C-119 aircraft were used, the number required would be 148.

HEALTH AND WELFARE—SANITATION, CAMP GAGETOWN, N.B.

Queston No. 462—**Mr. Robichaud:**

Has any attention been paid by the Department of National Health and Welfare to matters of sanitation at the federal construction project at Camp Gagetown, New Brunswick?

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

Officers of the public health engineering division of the Department of National Health and Welfare have been very active in promoting a high standard of sanitation at the numerous construction camps established in the development of Camp Gagetown. This work comes under the Public Works Health Act and regulations which are administered by the department.

During the past year more than 75 visits to these camps were made by engineers of the public health engineering division in connection with matters of water supply, sewage disposal and sanitation. Conditions have been found to be generally satisfactory in the larger camps. Instances of non-compliance with recommended standards are immediately brought to the attention of the authorities directly concerned for necessary remedial action. Camp closure proceedings have been invoked in a few cases where camp operators have failed to maintain the standard of sanitation desired.

NON-CANADIAN MANUFACTURING PLANTS, 1955

Question No. 463—**Mr. Boisvert:**

1. How many firms from other countries established manufacturing plants in Canada in 1955?
2. How many of the abovementioned were established in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. 134.

2.

	Nfld.	N.S.	N.B.	P.Q	Ont.	Man.	Sask.	Alta.	B.C.
U.S.				12	76	1		1	5
U.K.	2			3	17			1	
Others									
	1	2			9		1	2	1
	3	2		15	102	1	1	4	6

PUBLIC WORKS—BUILDING RENTAL CONTRACTS

Question No. 476—**Mr. Hahn:**

What are the terms of contract agreed upon between the lessor and the government respecting the responsibility of maintenance and repair of buildings leased?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

Normally, but subject to variations depending upon circumstances, the maintenance and repairs of a leased building are covered under the following lease arrangements:

The lessor covenants with the said lessee that the said leased premises are now in a good state of repair and tenantable condition and to keep said premises in good and tenantable repair and condition at all times during the term and, upon notice given by the lessee, to make good any defect or want of repair for which the lessor is responsible, namely major and minor repairs.

That he will pay all insurance, taxes and rates which may be charged in respect of the said property hereby demised and will supply all water and pay all water rates and also supply and pay for janitor service and cleaning during the continuance of the term hereby created;

That he will heat the premises hereby leased in a proper and comfortable manner the minimum temperature to be not less than sixty-eight (68) degrees Fahrenheit, and furnish and maintain, at his own expense, good and sufficient lighting appliances and light for the demised premises;

That he will furnish lavatory and toilet room accommodation and keep the same constantly in good order and sanitary condition;

That he will furnish, operate and maintain in good working order in said building the elevator which . . . to run during the ordinary business hours of every day of the year (Sundays and holidays excepted) and which the lessee shall have the right to make use of in common with the other tenants of the building.

Note: By negotiation any of the above covenants may become the responsibility of the lessee with appropriate consideration given to the rental rate to be paid in such cases.

HOUSE OF COMMONS

Friday, May 11, 1956

The house met at eleven o'clock.

HARBOURS

UNGAVA BAY—REFERENCE TO PRESS REPORT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I direct a question to the Minister of Transport? A dispatch in yesterday's Ottawa *Citizen* indicates that there have been conferences between government officials and Mr. Cyrus Eaton concerning the opening of a harbour on Ungava bay for the transport of ore from the Ungava mineral deposits. Can the minister tell the house what the situation is with regard to this conference?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I am sorry that I have not any personal knowledge of the subject which my hon. friend has just mentioned but I shall make inquiries and endeavour to give him an answer as soon as possible.

ARTS, LETTERS AND SCIENCES

DOMINION DRAMA FESTIVAL—INQUIRY AS TO ADVERTISING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister if his attention has been called to a letter sent out by the dominion drama festival urging the purchase of the products of a certain distillery? Will the Prime Minister make it known to the dominion drama festival that it cannot use the name of the Governor General of Canada for sales promotion?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, my attention was directed to this correspondence and the matter is under serious consideration.

INQUIRY AS TO SETTING UP OF CANADA COUNCIL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question? Is the government also giving consideration to setting up the Canada Council and taking such other steps as may relieve the dominion drama festival from having to rely on this kind of financial support?

Right Hon. L. S. St. Laurent (Prime Minister): This incident has no direct bearing on the matter of setting up a Canada Council although it does indicate that if it were unnecessary for such arrangements with private interests to be made by organizations such as the drama festival it might be much more desirable.

Mr. Knowles: Hear, hear.

[*Later:*]

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister advise the house what progress is being made in establishing the Canada Council?

Mr. St. Laurent (Quebec East): When there has been sufficient progress made to bring a measure before the house it will be announced in the usual way.

Mr. Hees: A supplementary question. Has no progress, or very little, been made?

Mr. St. Laurent (Quebec East): That is a matter upon which my opinion and that of the hon. gentleman would be apt to be different.

PRIVILEGE

MR. DIEFENBAKER—REQUEST FOR COMPLETE PRODUCTION OF DOCUMENTS

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I rise on a question of privilege relating to the rights of the house and the rights of members to full and complete disclosure in answer to an order of the house, and also to point out that the house is entitled to an unexpurgated production of documents. On May 8 sessional paper 174-O was tabled which purported to include a copy of correspondence, telegrams and memoranda of telephone conversations since June 1, 1956 between John Merriam,—I am not going to read the motion.

Mr. Marler: Did my hon. friend say "June 1, 1956?"

Mr. Rowe: 1955.

Mr. Diefenbaker: The number is 174-O, the date is May 8. That return does not contain a full or complete record of the correspondence. Among the documents filed is one purporting to have been sent from the Northern Natural Gas Company on June 21, 1955 to

the Minister of Trade and Commerce. In the first line of the letter are these words:

> Attached is a conformed copy of a letter proposal which has been today mailed to Trans-Canada Pipe Lines Limited by Northern Natural Gas Company, Peoples Gas Light and Coke Company, and American Natural Gas Company.

No part of that letter proposal was tabled in the house. It is part of the letter, and I submit, sir, that the Minister of Trade and Commerce should table the full and complete record rather than selected portions, and I ask him to table what is omitted.

Mr. Speaker: If the hon. member for Prince Albert knows that the document which he has mentioned is referred to in the correspondence and wishes to have it produced I would suggest the method would be to put on the order paper a motion for production of that particular document.

Mr. Diefenbaker: Mr. Speaker, the order for production was for all documents. One of the documents filed in pursuance of that order contained an enclosure called a conformed copy of the letter proposal. That conformed copy as part of the correspondence has been omitted. It is to that omission that I direct the attention of the house.

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the government of course is obliged to table only correspondence which it has in its possession. The conformed copy was not addressed to the government; it was addressed to the Trans-Canada Pipe Lines company. I told the office to put on everything that we had on our file. Now I will ascertain whether that was overlooked, and if it was I will certainly table it.

Mr. Diefenbaker: Mr. Speaker, everything that the minister had on his files with reference to this was not tabled. The letter indicates that there were certain documents included and sent to the Minister of Trade and Commerce. Those documents are of importance and I ask the minister to make a further search so that those very important ones be not omitted.

Mr. Howe (Port Arthur): Mr. Speaker, I am going to surprise my hon. friend very much and say that I do not handle documents that are tabled in the house. I have a staff who undertake that duty. I will find out whether the staff overlooked that particular letter and, if so, I will see that it is tabled.

Mr. Diefenbaker: Fine.

Mr. Howe (Port Arthur): I do not know what my hon. friend can expect me to say. All this indignation—

[Mr. Diefenbaker.]

Mr. Diefenbaker: Your responsibility is to see that they are tabled.

Mr. Howe (Port Arthur): Thank you for telling me my responsibility. I enjoy this phony indignation.

TRADE

BUREAU OF STATISTICS REPORT CONCERNING MARCH BALANCE

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Has the Minister of Trade and Commerce had an opportunity as yet of studying the dominion bureau of statistics report concerning the March trade balance and, if so, would he care to comment upon it?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have done that, yes.

Mr. Pearkes: Have you read this one?

Mr. Knowles: Be careful.

Mr. Howe (Port Arthur): This is the report I received from my officers.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): I suppose if hon. members opposite would keep all this in their heads they would not need a memorandum or anything of that sort—these clever men sitting in the front row.

Mr. Fleming: Don't lose your temper.

Mr. Rowe: Turn around and look at your own crowd.

Mr. Diefenbaker: Open the private and confidential drawer.

Mr. Howe (Port Arthur): Some of the phoniest discussions I have ever heard in my life have come up in this house within the last few weeks.

Some hon. Members: Hear, hear.

Mr. Howe (Port Arthur): I hope that some of the citizens who sent these gentlemen to parliament as their representatives feel they are getting their money's worth.

On the basis of preliminary figures, the value of Canada's merchandise exports for March, 1956, is $333 million, compared with $355 million for the same month last year. This reduction is, in part, the result of the influence of the Easter weekend which this year affected the figures for March rather than April. In addition, March figures were affected by a change in the procedure followed in handling customs documents. This year, the Department of National Revenue

have discontinued their practice of having March trade entries from points west of Winnipeg forwarded to Ottawa by air mail rather than ordinary mail. This means that this year there will be some entries carried forward into April which, under the previous procedure, would have been recorded in March.

PIPE LINES

TRANS-CANADA PIPE LINES—OPTION TO PURCHASE PIPE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Is Trans-Canada Pipe Lines Limited's option to purchase pipe in the United States related to the export of gas to the United States, as the minister indicated the other day? If so, in what way?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, I will endeavour to obtain from Trans-Canada the option they have on that United States pipe and my hon. friend can see for himself what the option says.

Mr. Knowles: In other words the minister will table the document when he receives it.

Mr. Howe (Port Arthur): Yes.

EDUCATION

REQUEST FOR CALLING OF DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. John Pallett (Peel): Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister consider calling a dominion-provincial conference at which representatives of municipalities, trustee associations and teachers associations could be present—

Mr. Gauthier (Nickel Belt): And humane societies.

Mr. Pallett: —to discuss the problem which is facing most municipalities as a result of the tremendously increasing cost of education today?

Right Hon. L. S. St. Laurent (Prime Minister): Well, Mr. Speaker, the matter of having dominion-provincial conferences with the municipalities has been under consideration at various times and so far the decision has always been that, the municipalities being creatures of the provincial governments, our conferences should be with the provincial governments that would have the role of making such representations in connection with everything under their jurisdiction that they felt it was desirable to have made.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—QUALIFICATION FOR GUARANTEED BANK LOANS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. I am sorry I have not given him notice of this question.

Do Indians residing on reserves in the three prairie provinces qualify for guaranteed bank loans on grain stored on their reserves?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I really cannot give an answer to that question without consulting the officials of my department and probably officials of other departments, and I am not going to attempt to answer without doing so.

SUPPLY

The house in committee of supply, Mr. Robinson (Simcoe East) in the chair.

DEPARTMENT OF AGRICULTURE

Administration service—

1. Departmental administration (including advisory committee on agricultural services), $670,015.

Mr. Nicholson: Mr. Chairman, just before ten o'clock last night I was expressing my thanks to private members on the government side for the support they had given us in drawing the attention of the minister and the house to the very serious conditions threatening agriculture across Canada. I had not reached the hon. member for Durham, but I want to include him. I wish to thank especially the hon. member for Northumberland because it is most unusual to have a parliamentary assistant take part in the discussion of estimates when cabinet changes are being discussed and an hon. member might expect to be given the nod at some time.

I should like to proceed to ask the Minister of Agriculture to pay special attention to the remarks made on Tuesday, May 8, by the hon. member for Winnipeg North who asked the Prime Minister the following question to which he received the following answer:

Since the government is prepared to subsidize foreigners to build pipe lines, is the government prepared to subsidize Canadians to build the Saskatchewan river dam project?

Mr. St. Laurent (Quebec East): The government has no knowledge of any proposal by Canadians to build the South Saskatchewan dam project.

I have in my hand a letter, not marked private nor confidential, addressed to the right hon. Minister of Agriculture by the premier of Saskatchewan under date of April 28, 1954. In that letter the premier of Saskatchewan refers to the correspondence and discussions which had continued for a long time in connection with the project. The premier stated that the engineers representing both the federal and the provincial governments had reached agreement as to the estimated cost. For the main reservoir and dam the estimated cost was $80 million; for the irrigation system, $35 million; for the power plant, $20 million; a total of $135 million. The premier also referred to the correspondence and discussions about the responsibilities of the federal and provincial authorities. Premier Douglas emphasized again that the province of Saskatchewan does not expect the taxpayers of Canada to have any part in providing power for Saskatchewan. The premier confirmed the discussions that they had previously and came out with the offer for the province of Saskatchewan to pay $73 million and the federal government $62 million of the total expenditure of $135 million.

I ask the Minister of Agriculture to tell the committee whether or not, in his opinion, the people of Saskatchewan should be regarded as Canadians and whether he thinks the discussions between his department and the government of Saskatchewan should not be considered to have been proposals by Canadians. I want to suggest to the minister that he now is in a most important position, and I suggest that he has but one alternative. It is his duty, as I see it, to go to the Prime Minister of Canada and say, "I must take exception to the references you made in parliament on May 8."

Out of a total of $198 million, the federal government is prepared to put up $190 million to build a pipe line, and this pipe-line company is controlled by Americans, who control 83 per cent of the $8 million, which is to go into the pipe line. So the minister should be able to say, if the people of Canada are going to be asked to put up all but about 4 per cent of the $198 million for the pipeline project—

The Chairman: It appears to me that the hon. member is now dealing more with the matter that we shall be discussing later in the session than the estimates of the Department of Agriculture. On looking at the resolutions, I find that there is a resolution, No. 42, dealing with major irrigation and reclamation projects in the prairie provinces. In the details, I see that there is a reference to the South Saskatchewan river development. Therefore I feel that the hon. member is in order if he wishes to discuss the South Saskatchewan river development under the general item. He might perhaps contribute to more orderly debate if he chose to discuss it under resolution 42. I do express this conviction, that he is not in order when he commences to discuss pipe lines.

Mr. Nicholson: Thank you, Mr. Chairman. I have really nothing more to say about the pipe lines. All I am suggesting is that the Minister of Agriculture has a responsibility to his neighbours and citizens in Saskatchewan in telling the Prime Minister to proceed with the construction of the South Saskatchewan dam immediately.

I suggest that the Minister of Agriculture should have no alternative but to offer his resignation to the cabinet if the government is not willing to meet the reasonable requests that the Minister of Agriculture has made so often in connection with the South Saskatchewan dam. I think it would not be a bad thing for Canada if occasionally members of the cabinet resigned, on important issues such as the issues we had during the war, when Mr. Power and Mr. Ralston resigned, or if the Minister of Agriculture, on a matter that is so important to his citizens of Saskatchewan, would say, "My resignation must be made available if the South Saskatchewan river dam is not going to get the consideration it deserves." That is all I am going to say on the dam at this point.

I want to come back to the general position of agriculture across Canada and I should like to refer to two articles in recent issues of the Ottawa *Citizen*. In the Ottawa *Citizen* of April 26 there was a story by Norman Campbell following a meeting of the Anglican synod of this area. The Anglican synod reviewed with a great deal of concern the depressed farming conditions in the Ottawa valley. Following that the *Citizen* sent one of their reporters, Fred Inglis, on an assignment to see some of the farmers. In the area north of Renfrew he saw a Mr. Waite, a 40-year-old farmer, near Almonte a Mr. Steele, over at Carleton Place a Mr. Timmins, and then a retired farmer at Hazeldean. All these farmers told the same sort of story about the price squeeze which is pushing farmers off the farms and forcing them to go to the cities.

When the minister's estimates were under discussion some little time ago he spent some time discussing the lack of accurate statistical information regarding the farm share of the national income. I agree with part of what

the minister said but there is enough information available to anyone who wants to seek it to establish firmly that farmers in all parts of Canada are not getting a fair share of the national income. I realize that you cannot establish exactly the number of farmers who depend entirely for their income on their returns from farming and that it is not possible to establish their position exactly to the last dollar, but we have information regarding gross national income, gross farm income and net farm income.

The bureau of statistics has come up with some figures giving the index numbers of the commodities and services used by farmers. They take the period 1935 to 1939 as a base, and on the basis of 100 for that period you find that by 1951 the prices of the commodities that farmers have to use had increased to 230 and by 1955 had increased to 237. There has been a further increase of 3·4 per cent in that four year period when farm prices were going down.

If you take the index for farm prices of agricultural products and use the same base you find that the figure for prices received by farmers was 296·8 in 1951 and in 1955 was 226·2. In other words, there was a drop of 24 per cent in prices for agricultural products while at the same time there was an increase of 3·4 per cent in the prices of the things that the farmer has to buy. Between 1955 and February of this year there was a further drop to 218·3 in the prices of agricultural products.

We find that the drop in prices received by Saskatchewan farmers has been even greater than the drop for Canada as a whole. Our prices in Saskatchewan dropped from 268·7 in 1951 to 187·6 or a drop of 30 per cent. Between 1951 and 1954 net farm income for Canada as a whole dropped from $2·1 million to $1·1 million, or 48 per cent, but for Saskatchewan the drop was 77 per cent.

The disturbing feature about this whole business is that while the farm squeeze goes on corporation profits continue to increase. While in the period from 1951 to 1954 net farm income for Canada dropped 48 per cent corporation profits after taxes only dropped 10 per cent, but in 1955, when agriculture continued to be depressed, corporation profits literally shot up. In 1954 corporation profits, after taxes, were $1·2 million; in 1955, $1·6 million or a percentage increase of 30 per cent.

Now, this situation is serious. The farmers of Canada are a very patient and long suffering people. They do not want too much. But they would like to have at least a kind word from the Minister of Agriculture. Surely, that is not too much to expect, and yet we get nothing from the Minister of Agriculture or his colleague the Minister of Trade and Commerce but these bombastic statements that those of us on this side of the house are talking through our hats, that the farmers of Canada have been more prosperous in the last five years than they have ever been in any five-year period before. Nearly every country in the world is up against the same general proposition, but with this difference. Canada is the only country of which I know where the responsible ministries of the government fail to recognize the situation.

In the United States the situation is serious. I noticed an article by Joseph and Stewart Alsop which appeared in the *Telegram* of March 13 headed, "Farmers Less Prosperous". The article starts out by referring to a speech by an Arkansas senator in which he referred to the decline and fall of the Roman empire. Apparently the language used by the senator could not appear in the Toronto *Telegram* but the Alsops say:

> The decay of Rome quite certainly began when the hardy farm-citizens whose valour had made Rome great, ceased to be able to maintain themselves and their families by farming their small holdings. In hardly more than a generation, over great areas of Italy, the family sized farms were swept away. They made way for vast, consolidated, slave operated, absentee-capitalist holdings, that were the equivalent in those days of what we now call "industrialized" farms.

Then, the Alsops give us statistics which are available in the United States, and which are comparable to Canadian statistics. I shall have something to say to the minister in a few minutes about his ability to make preparations for compiling comparable statistics in Canada. The Alsops say:

> The people who are not prosperous are the folk on the family sized farms. They are so unprosperous, in fact, that this nation is virtually beginning to be divided into two nations. A single statistic tells the story. Per capita farm income has now declined to the level of $860 a year, whereas the per capita income of Americans off the farm now stands at the level of $1,922. Farm folk are much less than half as well off as other folk in America.

In Canada the position of our farmers is relatively a good deal worse than the position of United States farmers. I suggest the Minister of Agriculture has failed in performing a valuable service by ignoring these United States statistics and ignoring the fact that the Canadian farmer is in a much worse position than his United States neighbour.

I continue quoting from the article:

> If this condition persists for very long, it can produce only one result. All the ambitious, able-bodied members of farm families will do what the Roman farmers did. They will give up the life they have been trained to. They will pull up stakes. They will go to seek better opportunities elsewhere.

As I said, Mr. Chairman, while these conditions exist down in Dorchester county in New Brunswick, and in Ontario, the Minister of Agriculture says we do not know anything about it. Nobody knows how badly off the Canadian farmer is. The Minister of Agriculture could go to his colleague the Minister of National Revenue who could give him some useful information. The Minister of National Revenue could tell the Minister of Agriculture that of the 601,000 farm families in Canada only 69,000, just over 10 per cent, in the best year the farmer ever had, had enough money to pay income taxes. I ask the hon. member from New Brunswick if he is aware of the fact that in the year 1953 there was not a farmer in New Brunswick who made enough money to pay income taxes? That is the information the Minister of National Revenue provides.

In the same year there were 130 farmers in Prince Edward Island out of 10,000 who paid income taxes. In Nova Scotia there were 110 farmers out of 24,000 who paid income taxes. In Quebec there were 750 farmers out of 133,000, and in good old Ontario there were 11,000 out of 159,000. Coming to my own province I have to say that in the year 1953, the last year for which statistics have been compiled, almost half of the farmers who paid income taxes in Canada were in Saskatchewan. In that province 31,000 out of a total of 90,000 farmers paid income taxes.

An hon. Member: They must have been making money then.

Mr. Nicholson: Conditions were better, I admit, but Mr. Chairman, in spite of the fact—

Mr. Studer: That we had a socialist government.

Mr. Nicholson: —in spite of the fact that farmers in Saskatchewan who paid income taxes represented almost half the number of farmers who paid income taxes in Canada as a whole, there were just about one-third of the farmers in Saskatchewan who were fortunate enough to be able to pay income taxes. It is peculiar that the members of this house who happen to have cousins or neighbours who have gone west and made good never say anything about the two-thirds of our people in Saskatchewan who have never had enough money to pay income taxes. Those farmers have never been able to come back home and spend a little money to demonstrate to the neighbours that the west is a land of plenty. I am suggesting to the Minister of Agriculture that if he really wanted to give his party a shot in Saskatchewan—

[Mr. Nicholson.]

Mr. Argue: The hon. member for Rosthern had that.

Mr. Nicholson: —I mean a shot in the arm, at this late date, he could remove the present leader and lead the forces in Saskatchewan on the ground that if he were the premier of Saskatchewan again they could build the Saskatchewan river dam out of their own resources and regardless of what Ottawa would do.

Apart from the situation I have been discussing, the Minister of Agriculture could get the information that I have given here and which is available from the Minister of National Revenue, to demonstrate that the farmers in Canada are in a position where 90 per cent of them have never had enough income to be able to pay income taxes. Now, that is something that no member representing an agricultural constituency could accept with any degree of pride or satisfaction. While that is happening, companies like international nickel increase their net profits from $29 million to $65 million; Distillers Corporation increase their profits from $24 million to $33 million. All down the line we have the large corporations of Canada in the position where each year is a bigger year and a better year than the year which preceded it.

I suggest to the Minister of Agriculture that he take time off to read what his own department says about agriculture abroad. On a previous occasion I compared the work of his department in agriculture abroad with the work done in Washington. I offered some criticism on the ground his department did not tell us the whole truth and nothing but the truth as the Washington department does. His department is very careful to keep out of print the information as to what farmers get for wheat in the other countries of the world. Washington does not mind telling the farmers that this is the situation:

Wheat Production and Prices, 1954-55

Country	Price per bushel
Chile	$4.50
Switzerland	4.19
Finland	3.95
Norway	3.43
Italy	3.05
Uruguay	2.96
Portugal	2.85
Spain	2.73
West Germany	2.72-2.83
Argentina	2.72
Algeria	2.64
Morocco	2.64
Tunisia	2.64
United Kingdom	2.30
United States	2.24
Canada	1.40

Why does the Minister of Agriculture not instruct his very able officers to work out the prices producers abroad receive.

Mr. Gardiner: I certainly would not report that. As everyone knows, the $1.40 is not correct.

Mr. Nicholson: Well—

Mr. Argue: At Fort William.

Mr. Nicholson: —that is the initial price and we are waiting impatiently to find out what the final price will be. Perhaps the minister would also be able to give us the final price for the 1954-55 crop.

Mr. Gardiner: Being such a good accountant, you ought to be able to figure it out.

Mr. Nicholson: No; the minister has the information, I have not. I would be happy to have the minister say what it is. Certainly, whatever the final price is going to be, the Canadian price is going to be away down compared with the farm prices in other parts of the world. But in this issue for April of this year the department has a very good article on the Argentine, on Cuba, on New Zealand, on the Soviet union, on the United Kingdom and on the United States. The previous one had articles on Australia, the Argentine, Italy, Denmark and again the United States and United Kingdom. Now, his department has access to the same information that is available to the United States, and I submit that the minister should give instructions to his department that when they are giving this information they should tell us the whole story, tell us how badly off the Canadian farmer is in comparison with our competitors.

I am not suggesting, Mr. Chairman, that there is an easy solution for the situation which is so general when all these countries I have mentioned are using public funds to bolster up that sector of the economy that is living in a depressed condition, and when our exports of wheat represent a relatively large percentage of our production compared with the percentage that the United States exports represent of their total production. I admit very frankly that poses a real problem. The United States can give away every bushel of their surplus production without any serious impact on their economy. I do not think that Canada could embark on a long-term program of giving away her surplus production. I admit those facts very readily.

An hon. Member: Time.

Mr. Nicholson: The Chairman can call time when it is up. He is always most anxious to watch the clock and I will sit down when my time is up.

Mr. Argue: They do not like it.

Mr. Nicholson: I realize that to a Liberal member for a rural riding who has not spoken, and who is not going to speak on these estimates, this is bitter medicine. I suggest Mr. Chairman, that the Minister of Agriculture should do something about the situation which is reported and which says that there are no figures anywhere to show what the farmer's share of the national income is.

The Chairman: Order. As the hon. member pointed out just a moment ago, it is my duty to call time and I now advise him that his time has expired.

Mr. Blackmore: Mr. Chairman, it is not very often that a member of one party congratulates a member of another party, especially when that party is a bitter rival, but I am going to take this opportunity to congratulate the hon. member for Mackenzie, who has just taken his seat, on turning in what I regard as a superb performance. His speech, from the standpoint of western farmers, is a masterpiece and is utterly unanswerable.

An hon. Member: Are you in a position to judge?

Mr. Blackmore: I think I am able to judge pretty well; I have been in the game a long time.

I am glad that the hon. member spoke before I did because it will not be necessary for me to elaborate upon these matters which are vital to all farmers and to all farm-representing members throughout this nation. I will, therefore, direct my attention to another matter, but before I do so may I put this question once more to all members of this committee and to all the newspapermen who will read the reports of *Hansard*, and to all the people who will in any way read *Hansard* and become aware of what is going on in this house. What is the answer to the problem which the hon. member for Mackenzie has propounded? Can that problem go on unanswered without spelling utter disaster to Canada? These two questions have to be answered by every responsible member. There are plenty of hon. members in this house who are not responsible, I am sorry to say, and instead of facing facts they try to evade them, they try to make smart aleck remarks that will get into *Hansard*. They try to minimize the problems, but they do

not solve these problems by minimizing them or sidestepping them or being dishonest in respect to them.

I think every hon. member in this committee recalls that on several occasions in time past I have advocated what I think probably affords a temporary solution. As the hon. member for Mackenzie has said, no responsible person in Canada would suppose that we can go on producing enormous amounts of wheat and other agricultural commodities which we are now producing and subsidize the export, or the gift abroad, of those commodities. It is easy to see how a country like Uruguay or Chile or some other country in which agriculture probably constitutes relatively a small proportion of the economy might stand the taxation necessary to subsidize their agriculture and their exports abroad. It is easy to understand why the United States with her stupendous industrial and economic strength can stand to do this kind of thing for a year or so; but even the United States will not be able to stand this burden indefinitely. She is indicating that quite clearly by taking various measures to reduce the production and in other ways alleviate the problem which is bearing so heavily on the economy.

Now, what can Canada do? In the first place I would say this: whatever Canada decides upon as a long-range solution, the Canadian people have no show of right in any way to leave the farmer to bear the rap for the unhappy position in which he finds himself because he has done his job too well. Consequently, while we are readjusting our agricultural production by devices which we may deem to be best suited to the situation, there are temporary measures which ought to be taken and which every responsible member of this committee will acknowledge must be taken to take the burden off the farmer so that he can go on living, so that he will not be utterly destroyed.

I have advocated in times past, and I do not hesitate to advocate today, that the solution to the problem in a general way temporarily is based upon storing the commodities on our farms, paying the farmer the price he should receive for the commodity, and making provision for the permanent storage of that commodity on the farm where it can be only a blessing to us, while we take measures which are necessary in cooperation with the farmers, the provinces and every other agency concerned to determine how to reduce our production or to divert the production into some other line.

Before going on with what I have to say may I quote a passage from the pen of the man whom the minister and the Liberal party generally are quite happy to quote. They seem to find the claims of the Canadian Federation of Agriculture altogether to their liking. Let me quote a statement from the opening remarks of the brief presented to the royal commission on Canada's future economic prospects by Mr. H. H. Hannam by whom the Liberals appear almost to swear. This statement was made on March 5, 1956 and I read from Mr. Hannam's words:

> In the light of conditions and problems facing agriculture, we have set down our views in respect to policies which we believe will be needed—to maintain agriculture in a balanced position in our economy
> —to assure those families needed to man our farms a standard of living which compares favourable with those performing a service of comparable value to society . . .

That is all they are asking; that is all the hon. member for Mackenzie is asking; and that is all—I am going to say once more, the courageous, persistent and effective fighters of the C.C.F. party—are asking. I do not hesitate to say that these men have turned in a magnificent job this year. I do not hesitate to say in support of my own party that if the C.C.F. group had not been here and had not been in a position to get the floor first, the Social Credit party would have turned in exactly the same performance because the Social Credit party represents farmers who are suffering just as are the farmers in the constituencies from which the hon. gentlemen in the C.C.F. come.

I interrupted the statement at the words "value to society" and I am going on to quote further:

> —to enable farmers to adopt and practice soil conservation measures adequate to build and maintain soil fertility as a vital national asset.

I do not think for one moment that the Minister of Agriculture would be out of harmony with those statements. I want to make it abundantly clear that I do not blame the Minister of Agriculture for the difficulties with which the farmers are now faced. The minister is a member of a cabinet representing all of Canada and his voice is the voice of only one member of that cabinet. His will can prevail only to the extent his fellow cabinet members are willing to permit it to prevail. Let everyone judge the Minister of Agriculture in that light. On the basis of what he has already done, what he has already said, and what he is planning to do, I believe he is just as ready to give the farmers of western Canada a fair deal as are we who, like the minister, come from various federal constituencies in western Canada.

I have no use for people who blame others for things which are beyond their control

and who neglect to give credit where credit is due. I do not hesitate to say there is a great deal of credit due the Minister of Agriculture. I doubt very much whether any man in the country could have done any better in the position in which the minister is placed.

I know the minister will not say that he disagrees in any respect with the objectives set down here by H. H. Hannam of the Canadian Federation of Agriculture, but the minister must make the very best he can of the very ugly picture which confronts us by reason of the situation in which he finds himself placed.

I wish to have hon. members also bear this in mind. I am as much opposed to the Liberal party as a man can be but I realize that the Liberal party and the Liberal administration represent the whole of Canada. When they draft a platform in respect to agriculture or when they introduce a measure pertaining to agriculture, that measure must commend itself to the people of every province in this country including Quebec and Ontario, which are largely industrial areas, including British Columbia, Prince Edward Island and Newfoundland and other provinces which have nothing like the problems which face western agriculture.

When we are dealing with this problem let us be realistic, honourable and honest. Let us give credit where credit is due. I am endeavouring to do that. I do not hesitate for a moment to say that if the Minister of Agriculture were free today and if he were sitting in the seats occupied by the members of the C.C.F., he would be saying the same things that group are saying and with just as much vigour, effectiveness and pertinacity.

I now wish to go on with the statement:

> Looking ahead: We want a prosperous, permanent and stable farming industry.

Is there anyone in this house, no matter where he comes from, who will disagree with that statement? There is not one. Certainly the Minister of Agriculture is in complete harmony with that objective. Proceeding with the statement:

> We want conditions which will be conducive to building a fine rural citizenship—a farming industry attractive enough to hold its share of the best of our farm young people.

Is there anyone who supposes that the Minister of Agriculture is not in favour of that? Is there anyone who supposes that there is any individual in this nation who is not in favour of that? I do not think there is an hon. member in this house from any party who would not agree that the best young men and women who enter the social structure of any nation are those who are born and trained on farms. They are people of sound judgment, sound minds and sound bodies. That is the kind of people the farms have always produced. The more we cut down the normal healthy agricultural population of this country the more we will be cutting down these young people of stable minds and bodies who make up the very core of the nation, who make the great soldiers in time of need, who become the great statesmen, the great teachers, the great law makers, the great preachers, and the greatest of every division in society. The more we turn the affairs of this nation over to people bred in cities—

Mr. Hees: Hey!

Mr. Blackmore: I am not saying anything against the cities; let me continue. This cannot be said in just a few words. The more we turn the affairs of this nation over to people bred in cities where they have no contact with reality, the weaker our social structure will become.

As a parent I have found it very difficult to raise my sons the way I should like to have them raised because being a school teacher and a member of parliament I cannot put them on farms where they would have to get up at 5.30 in the morning and take care of the pigs and cows and do all the other things which ordinary farm boys and girls do and thus gain a genuine contact with reality, the thing it takes to produce anything of value.

The people who grow up away from farms have the tremendous disadvantage of not being in constant contact with reality, and they feed themselves with their own vain imaginings. Consequently, they become susceptible to communist propaganda and false notions of many different kinds. I say once again that if we cut down the percentage of our young people who grow up on farms we endanger the permanent stability of this nation. I am sure that every hon. member in this house will agree with what Mr. Hannam said in the last paragraph on the first page of the brief:

> We prefer to see a continuation of the type of farm program which is based on co-operative self help procedures.

We all agree with that, but the main question is: How are you going to bring these conditions about in the time in which we live and in the nation where we live?

Once more I say that as a temporary measure I believe the solution of our problem on the farms in large part is the storing of surplus goods on the farm, paying the farmer what he ought to receive for his goods.

If we paid the farmer what he ought to receive for his farm-stored goods he would be put in a position where he himself could keep those goods instead of being paid for permanent storage, the cost of which payment would probably wreck the nation financially. More especially it would leave him free to go forward producing whether or not we might be able to sell abroad. I submit that this method of farm storing is far better than giving away products to those who might not want them. It is far better than putting products on the market as the United States is doing. They are subsidizing their prices to such an extent that they come into destructive competition with producers all over the world. There are complaints coming from all sections of the world by reason of what the United States is doing.

We can understand why they are doing it. It is because they have taken over the ownership of these products and are at their wits' end to find where to store them and how to pay the cost of storage while they are finding some way of getting rid of the products. I do not favour that kind of thing for Canada. I am positive that there is a different way to go about it. I have already stated what my ideas are concerning this matter, first on November 17, 1953 and at various times, at least once while we were discussing wheat marketing this year.

May I go on with another little thing which I believe supports my general position. The Ottawa *Citizen* of Wednesday, May 9, contained this press dispatch:

> Study stockpile of NATO food.
>
> Washington (AP)—The North Atlantic Treaty Organization countries are considering creation of a NATO food stockpile plus emergency food reserves in each member nation, mobilization director Arthur S. Flemming disclosed Tuesday. The proposal, which American officials view as a possible outlet for some U.S. farm surpluses, will receive intensive consideration at a meeting on November 15 of the NATO senior emergency civil planning committee.

November 15; the farmers can starve to death between now and then! The very first thing that these NATO planning people will be faced with when they sit down around the table will be how they are going to pay for these goods. Will anyone pretend that the NATO nations, most of which have an insecure and unstable economy, can stand the taxation which would be necessary to provide the money with which to buy our surpluses to store in their countries? Will anyone pretend that? That would be a most unrealistic proposal.

Then how are these stores to be provided and paid for? If people suggest an international bank, an international agency to create world money to be spent in buying the products of Canada, then according to our orthodox thinking which nearly all hon. members would rather die than surrender—if such an agency created the money it would feel that it would have to lend it. It could not get it out of its hand unless it did lend it. Tears of despair! Who is going to borrow it from that international agency? How is that person who borrows it going to repay it, when the only way in which he can repay it is either by taxing people who are already taxed nearly to death or by sending goods in repayment, which the international agency would not accept?

I have said enough now to indicate that while this NATO proposal sounds beautiful, it is just as fallacious, it is just as unsubstantial as the sun dogs in the winter sky that we see sometimes.

What, then, is going to be the solution? How are we to provide those NATO people with our surpluses in order that they may store them? I do not propose to go into any detail because everybody in this house can see that the proposal under discussion is illusory, that it is a sham, that it is foredoomed to defeat, that it will be stillborn.

Here are intelligent men. We hear about the "three wise men" who have been appointed to guide the destiny of NATO, one of whom is in this house, but whom I have never heard express any wisdom concerning economic affairs. Would he know how to provide the money in order to supply these surpluses to the NATO nations? If he did know, and if he did advocate it, he would upon his return get into plenty of difficulty with the Minister of Finance and with all the interests in Canada for whom the Minister of Finance speaks.

What I have said on previous occasions, and I am positive that this is sound, is that the Bank of Canada is able to create all the money which would be necessary to buy all the farm products that can be stored in Canada at prices which the farmer ought to receive. It can provide the money necessary to build the required storage facilities to house all these surpluses. That will not cause inflation any more than inflation would be caused if some outside nation bought those same commodities with its own money. When that money got here we would change it into Canadian money and spend the Canadian money in Canada, just as we would spend Bank of Canada money.

I submit that here is the germ of a possible idea that offers a way out. I do not think there is an hon. member in this house who will say that the Bank of Canada is not empowered with all the necessary discretion it needs to do just exactly what I have

suggested. If we should then want to supply some of these surpluses to NATO nations so that they might store them, then I say that would be an admirable proposal and one which should have been proceeded with long ago. If we are proposing to let our farmers store the goods having paid for the commodities ourselves with our own credit, we can send those commodities over to NATO nations so their farmers can store them instead of ours with no cost to the taxpayer and no danger of inflation of our economy.

The only question we have to ask ourselves when we are considering whether or not the Bank of Canada can create the amount of money I have indicated is simply this: Are there at the present time enough commodities in Canada and enough producers of commodities to produce all the goods which would be consumed if that money were spent on the goods of Canada? The answer certainly has to be yes because if we have not enough goods to absorb the money which the Bank of Canada would create we would not have enough goods to absorb money that might come in from Russia or any other source. That is as simple as A, B, C.

May I suggest in all seriousness, realizing my responsibility and knowing that these words are going into *Hansard* and may be quoted against me in future generations, that we should go to work at once to provide an extensive and comprehensive farm storage scheme. Let me indicate for a minute or two the kind of things we could store in Canada. We could store wheat in superabundance. I ask, what could be of greater value than wheat in times of disaster? When war occurs, or acts of nature create disasters, the first thing that people need is wheat, food. Blessed would be the nation—angelical, almost, would be the nation—that had plenty of food to send in time of need. We have an opportunity to put ourselves in exactly that happy state, if we only have the intelligence and the honesty and the vision to see that we have the possibility.

We can produce a superabundance of oats. If we are now producing too much wheat, let us direct our farmers to produce oats, tell them the price we shall pay them, and give them a firm promise to pay them a price just as good as the price they can hope to get from wheat raised on the same acreage. Then we shall get all the oats we could dream of.

Now turn to barley. Barley is one of the most valuable of human foods. We can produce limitless supplies of barley, all that we can produce with our land and our climate.

Rye, a staple food in many countries, is very valuable as a human food and very valuable as a food for certain kinds of livestock. We can produce any desired amount of rye and store it. Flax is one of the most valuable foods, and it can produce oils of great value and residues of great value for stock. We can produce any amount of flax we want and store it, and it will remain safely stored if it is kept dry.

We can produce a tremendous amount of beans. We cannot produce as much beans as wheat, because a great deal of our land suitable for wheat is not suitable for producing beans, and the climate is not suitable in many areas, but in this nation there are areas that can produce beans with great success.

The same applies to peas, corn and grass seeds. I shall stop there for a minute or two. Suppose now that we should become victims of a hydrogen bomb attack.

An hon. Member: We are now.

Mr. Blackmore: Yes. I congratulate the hon. member for appreciating what is going on now. In case we had a hydrogen bomb attack, how much of the present grass land afterwards do you suppose would be producing grass? How much of our grass today would be alive? And what would be the very first thing we would need to restore that grass? Would it not be grass seed? Of course it would. How, then, could we possibly be more provident than by producing great quantities of grass seed—timothy, brome, rye grass, alfalfa—and storing them where they will be safe, on farms in suitable storage?

Many areas can produce sunflower seeds with success. Sunflower seeds are very valuable food, not only for human beings but also for certain kinds of animals. All areas of Canada are not suited to producing honey, but many of them are. I should imagine that in Ontario you could almost bury the land in honey.

With regard to sugar, I do not think Canadian citizens realize the potentialities of producing sugar in Canada. By building the factories which the irrigated land we now have in southern Alberta would support, we could produce two and a half times the sugar the whole Canadian population could possibly use every year—in southern Alberta alone. In addition, we would take out of production much of the land that is now producing crops that are a burden to us. Why not produce and store great quantities of sugar? It is easy to store. It is easy to build great bins, something like silos, in which factories like the Canadian Sugar Factories of Lethbridge riding store great quantities of sugar. The sugar will remain there, I should think for centuries, perfectly safe.

The Chairman: I am extremely sorry to interrupt the hon. member, but I am obliged to advise him his time has expired.

Mr. Blackmore: I greatly appreciate the privilege of having spoken.

Mr. Howe (Wellington-Huron): Mr. Chairman, representing, as I do—

Mr. Gardiner: Before my hon. friend starts, may I say this? I have been looking up the records, and I find that the last speaker had already made a speech on this subject on February 10. I hope that everyone is not going to speak two or three times.

Mr. Howe (Wellington-Huron): Well, I have not made a speech on this first item of agriculture so far this year. As I say, representing a very important and productive district in southwestern Ontario, and knowing that my farmers face problems too, I thought I should like to discuss some of the problems affecting those particular farmers and probably make some suggestions that might assist in solving some of our agricultural problems all the way across Canada.

As has been intimated by practically every speaker who has spoken on this item, except the minister himself, agriculture is finding it difficult to retain its economic position in Canada. Innumerable speeches have been made in this house, as I have indicated. A great many editorials and news items have been carried in our daily newspapers. Briefs from our farmers' union, our federation of agriculture and practically every other farming organization have indicated, as has the monthly review of the Bank of Nova Scotia, that the farm problems are in contrast to business expansion.

It is rather hard for the farmer operating his own farm when he picks up his daily newspaper, looks over the news items, looks over the financial page and sees that Canada is enjoying one of the greatest booms ever experienced in the history of this great country of ours—it is rather hard for him, as I say, when he has difficulty sometimes in even getting the necessities of life, when he has difficulty in paying the interest on his mortgage, when he has difficulty meeting his tax payments, to understand just why he is in such a situation.

Naturally, he wonders what is wrong. Naturally, he is discouraged. Naturally, more and more of our farmers are leaving the land. Particularly, young farmers who have been raised on the farm and who know how to farm are finding that it will not be profitable for them to carry on the business so well set up for them by their fathers. Naturally, it is hard for them to understand these things. Many of these young men want to be farmers and would make good farmers as the years go on.

Not only are young farmers forced to leave the land. Many young farmers went overseas in the last war and fought for the way of life that they wanted and, when they returned, used their war benefits and gratuities to that end. But what happened? Many have had to leave the farm and go out and get other positions to augment their farming incomes so that they could meet their current expenses of taxes, living expenses, mortgage payments, interest payments, and so on. Hence their farming operations have not been as good as they should have been.

We have had a great many statistics quoted in this house, both from the government benches and the opposition benches, as to just what is the situation with regard to the farmer. Why is there so much talk about the income of the farmer having dropped to such a great extent I do not wish to add to the great statistical haze that has floated around the house practically ever since the opening of parliament, but I want to call the attention of the committee to an article in the *Country Guide* entitled, "Why the Squeeze on the Farmers?" The article is written by Dr. E. C. Hope and there is one part of it to which I should like to refer that directs attention in a most concrete way to the conditions facing the average farmer. It reads as follows:

> Another basis of comparison is net farm income. In 1951, the average net income per farm from farming operations was $3,520. Preliminary calculations for 1955, after taking into consideration the value of the large crop of last year, show an average of $2,524 per farm. Even considering that 1951 was an above normal year for prices, a drop of $1,000 since 1951 is very substantial.

As I say, it is rather hard for our farmers, who have always felt that the providing of food and agricultural products of all kinds was an important industry in this country, to understand why they are being subjected to this squeeze. As the article indicates, there has been a drop of $1,000 in net farm income since 1951 for the average farmer. How many other segments of our economy could, with the present high standard of living, have continued to exist with such a substantial reduction in individual income, whether it be the man working in the factory, the small businessman, the office executive or the worker in an office? There would have been cries to high heaven that the situation be changed and that something should be done.

Of course, I think we all realize that part of the reason for the decline in agricultural income is directly or indirectly due to the fact that in the past few years we have been

blessed with unprecedented crops of grain and feed in our western provinces. It is also partly due to the reason that the government has been very ineffective in competing with other nations of the world in the disposition of our wheat. Canada no longer retains her position as the greatest exporter of wheat and feed grains that she once enjoyed in the markets of the world. No part of the world can live unto itself today, and probably the fact that salesmen from other countries have been more aggressive and more capable of dealing with world situations than our own Canadian officials is reflected in the condition of the entire agricultural industry of Canada.

As I said before, no part of the world can live unto itself today so no part of Canada can live unto itself. The result is that we find that the western farmer, who has been unable to sell and market his products, has been faced with the necessity of turning to other means of getting cash to carry on his operations. This has spilled his problem into other parts of Canada and has had a very marked effect on the income of feeders of hogs and cattle in southern Ontario. In fact, not so long ago the western farmers were advised by members of the government to do that very thing. They were told that they should not try to keep their eggs all in one basket, that they should get into more than one type of farming. What has been the result? I should like to quote from an article which appeared in the *Rural Co-operator* of March 27, 1956 dealing with a brief presented to the Gordon commission on Canada's economic prospects. The article reads in part as follows:

> The brief, prepared by Cecil Belyea, O.F.A. economist, pointed out that livestock production in 1952 increased over 1951 by 49 per cent in the prairies and 27 per cent in Ontario. Though partly due to better 1951 hog prices, the increase in the west was also caused by the above normal grains harvest, it suggested.
>
> Ontario farmers fear the tendency of western producers to feed more livestock when there are large supplies of unsold grain, the brief said. To supply meat for a predicted population of over 8 million in the province in 1975, Ontario farmers will have to depend to a large extent on western feed grains, the brief stated.

I sometimes feel, along with a lot of other members of the house from eastern Ontario, that the western farmer gets all the breaks. He has got his Prairie Farm Rehabilitation Act, his Prairie Farm Assistance Act, and this year an act was passed by the house making available to him $32 million for the provision of loans on his farm stored grain. I do feel that if the government does not take more definite steps to rectify these mistakes and assist the farmers the depressed condition is going to affect a great many other segments of our economy. In confirmation of this, I have in my hand an advertisement by the Steel Company of Canada which appeared in the Hamilton *Spectator* of March 17. In a big headline at the top it says, "Best Customer", and the advertisement goes on to say:

> The steel industry's best customer is the farmer. Directly, the farmer as an individual is a buyer of steel and on the farmer's prosperity rests the prosperity of the farm implement business, which is one of the three Canadian industries using the most steel.

We have had indications in the last few days of extended lay-offs by some of the manufacturers of farm machinery and agricultural equipment. Last week the hon. member for Battle River-Camrose put on record figures which indicated that even in Alberta people producing hogs are doing so at a loss. I have in my hand figures prepared for me by the manager of the Arthur district co-operative with regard to pork production in our part of Ontario. These are approximate figures as of February 18, 1956. The cost of a weanling pig is $8. The cost of 100 pounds of pig starter is $4.80 and the cost of 600 pounds of hog grower at $3.40 per hundred is $20.40. Therefore the basic cost of the pig and the feed is $33.20. A fair average selling price was $36.20, making a gross spread per pig of $3. Then there are the expenses directly connected with hog raising such as interest on capital, depreciation on buildings and equipment, veterinary expenses, the normal loss ratio and labour cost. Then in this magnificent sum of $3 which the farmer makes per pig he also has to allow for disease, price changes and general misfortune. This is the situation with regard to hogs and I may say that the same situation exists with regard to cattle production in southern Ontario.

I should like to make a few suggestions as to some things that might be done to alleviate the situation. In that connection I should like to read part of the policy statement of the Ontario marketing conference which was held on March 13 and 14, 1956 by the Ontario federation of agriculture. Item No. 4 of their policy statement is as follows:

> To recognize that the only type of government agricultural policy that can be effected is one which is comprehensive and which takes into account all aspects of our Canadian agricultural economy. We recommend that the federal government give immediate consideration to the establishment of a "granary program" involving outright purchases of sufficient western grains to lessen the danger of western farmers marketing their unsold grain through hogs and other livestock. Grain is a more easily stored commodity than meat.

In the same connection I should like to refer to a bulletin issued by the Ontario

retail feed dealers association in which they indicate that the situation was foreseen. The bulletin reads in part as follows:

> The costly situation eastern agricultural interests are now encountering was foreseen by the trade early last fall. As a result of Canadian wheat board policy it was clearly apparent at that time that sufficient stocks of feed grains would not be moved into winter positions to care for the needs of eastern feeders.

In this article the feed dealers also indicate that more feed grain should be shipped during the fall season while the boats can carry the grain at a cheaper rate than that charged by the railway companies during the winter. In fact our feed merchants and feeders are finding a very definite problem in that connection right now. As a result of the late spring, the farmers are having to feed their cattle a longer time in their own barn.

Another situation that has arisen in connection with the farm industry is brought to our attention by an article in the London *Free Press* which indicates that the farmer gets only 46 cents out of the food dollar that is expended by the housewife when she goes to buy her weekly requirements. I sometimes think that situation could be improved through research. I feel that this government should spend more money, engage more scientists, and do more experimentation in agriculture so that varieties of produce could be developed which would move to the consumers with less processing and less waste.

In that same connection there is an article in the *Rural Co-operator* of Tuesday, January 31, entitled, "Ask Research":

> In addition the federal government will be asked to undertake research to determine the relative food values of all grades of beef including dairy beef carcasses, with a view to improving sales value.
>
> To improve hog quality the Canadian Federation of Agriculture was asked to work with the Canada department of agriculture to determine the type of program required to produce more "A" hogs in Canada.

The farmers should be provided with this information so that they will know the best types of feed to use and the best animal strains to be developed which will grow faster and be ready for market in a shorter period of time, thus reducing their costs of feeding and operation.

In connection with this matter of research I would go along with the suggestion made by the hon. member for Kindersley last week that there should be additional research into the question of combatting disease in farm animals and the control of obnoxious weeds which costs the farmers millions of dollars each year. In connection with this weed study business I do feel that some steps should be taken to ensure that more effective methods of grading feed grain would be used to eliminate the danger of carrying obnoxious weed seeds from western Canada to eastern Canada, and to improve the types and grades of feed grain being shipped into southern Ontario. Some samples taken from cars that have been shipped to southern Ontario are hardly fit for animal consumption and should never have left the elevators in western Canada.

I feel also that if the farmers of this country felt that we enjoyed a greater diversity of markets for their products they would not be faced with the problem of their products arriving at disposal points when prices are depressed owing to carryovers. If this were the case, farmers could produce more and would have a greater income to carry on their operations. I feel that steps should be taken to get our agricultural products back into the United Kingdom market once more.

In that connection, I should like to quote from a Searle Grain Company report of February 15. This is a little item entitled, "We Wonder Why".

> According to a recent press report, a prominent government spokesman after referring to Canada's large world war trade with the United Kingdom in bacon, cheese, and eggs, added:
>
> "But between 1947 and 1950, they cut off every bit of it. I accepted their reasons but I felt a bit put out when they suggested that we should buy more goods from them."
>
> For the life of us we cannot see why we in Canada should be put out when one of our best agricultural customers suggests what is axiomatic; namely, that the interchange of goods is the very essence of trade and that trade cannot flourish on a one way street. Time and time again officials from Britain have suggested—and even as we write the British Prime Minister, now in Canada, is stressing the point—that if Canada wants to do more trade with the United Kingdom she must be prepared to buy more British goods in return. There can be no quarrel with that, surely?

Once more we have found it is not good policy to have all our eggs in one basket. Every year in the United Kingdom there are millions and millions of people to be fed, whereas the United States, upon whose markets we have come to depend, produces practically the same products we do and also has great exportable surpluses. In the matter of trade, the Toronto *Evening Telegram* of Monday, May 7, contained an article by James S. Duncan entitled, "Our Trade with Britain". I should like to quote one paragraph from that article:

> Obviously it is to our advantage to develop and extend overseas markets throughout the world. But the British market is especially important to us as its normal requirements are the primary products of our basic industries and as it provides the largest single market for our wheat.

We have been told that we do not enjoy the British market because they do not have the dollars. This article would indicate that there is a possibility that Britain could be provided with these dollars if we bought more of the merchandise she has to offer.

So I feel, Mr. Chairman, that although this government has done some things for the farmers of Canada during this session of parliament through the medium of amendments to the Canadian Farm Loan Act and the Canadian Farm Improvements Act, that is not the answer. The answer is not to make it easier for farmers to get into debt to carry on their operations, debts which they are going to have trouble repaying. The answer is to take definite steps to assure the farmer a profit on the sale of his products so he will be able to enjoy this great, booming Canadian economy. There is another article in the Steel Company of Canada's magazine which is headed at the top, "The Right Price". At the bottom it says:

> The right price for Canada, then, must include a profit for investment in our future growth.

Certainly, the farmer is entitled to a profit so that he may make an investment and carry on the investment that has been carried on for so many years by himself and his forefathers. I sincerely hope that this government will give immediate consideration to these and other suggestions so that the present disparity between the farmers' income and that of other segments of our economy may be changed, and that our farmers will once again find a place in the sun. I hope that the small farmer will continue to enjoy a sound financial position—because I feel that he has made, and will continue to make, a very definite contribution towards supplying agricultural products for the use of Canada and the world—and will also continue to be the backbone of our municipal government. After all, the majority of farmers are proud of the heritage handed down by their forefathers who came to this country, built roads, schools and churches and were always ready to take their place in every organization in the community. I feel that every medium that can be used should be used to assure the continuance of this situation.

In closing, Mr. Chairman, I should like to endorse the suggestion made by the hon. member for Elgin and so many other members in this house, that the turkey growers be given a more equitable tariff so that they might compete—and this is true of all the poultry raisers in Canada—with the products from the United States.

Mr. Murphy (Westmorland): Mr. Chairman, I should like to say a word on this first item, especially after listening to the mutual admiration society on the other side in which members from the Social Credit party praised C.C.F. members and vice versa for their stand on the farm situation in this country. The hon. member for Mackenzie made a very interesting speech in which he referred to some extent to the province of New Brunswick. It seems that at this particular time New Brunswick has ceased to be just popular and has become the rage. The members of the two parties I have just mentioned are showing a great interest in things in that province.

We in New Brunswick have been governing ourselves down there since 1784, which was long before your provinces had parliament buildings, and we are quite capable of looking after our own affairs without intervention from the west coast. I should like perhaps to clarify something that the hon. member for Mackenzie said about farm income. I know he did not mean to make any statements that would not be very complimentary to New Brunswick, but perhaps he just does not understand the situation in our province with respect to farm income. Because of the nature of the terrain our farming down there is somewhat different from farming in Ontario and in western Canada. In New Brunswick farmers for the most part have sidelines, or what would be called sidelines in other parts of Canada. Under their set-up perhaps half the farm is cleared and the other half is woodland, and the farmers cut a considerable number of logs and pulpwood to act as a cash crop or a cushion. As you can see from looking at the map, the provinces of New Brunswick, Prince Edward Island and Nova Scotia have long coastlines. Some of those provinces are almost islands. Along the coast the farms border on the sea. Those farmers, like the farmers inland in New Brunswick, fish in certain seasons of the year, perhaps during the lobster season and the herring season, for a cash crop. It is not strictly agriculture but it gives an indication of the over-all view of farming conditions in New Brunswick as the farmers carry out their operations there.

I hold in my hand the revised estimate of farm cash income on the sale of farm products for the year 1953. In New Brunswick the largest farm cash income crop is forest products. That is amazing, but the largest cash crop from the farms of New Brunswick is forest products, with $12,305,000. The second largest crop is dairy products, with $11,300,000. In Nova Scotia forest products amount to $7,289,000. In the Dominion of Canada the total is $83,637,000, which

means that in New Brunswick, as compared with the rest of Canada, one-seventh of the cash income is derived from forest products. The total cash income from the sale of all farm products in New Brunswick amounts to $46,141,000. The total cash income for the provinces of New Brunswick, Nova Scotia and Prince Edward Island is $109 million out of a dominion total of $1,713 million. When you consider the size of our province and its population of half a million, I think that is a fairly good showing.

I have been talking to some western members who have visited my province and were very much taken with it. One remark that interested me greatly was that New Brunswick was about the size of their ridings in the west. When that is considered I think the figure of $46 million as farm income is nothing that we should be ashamed of in New Brunswick. With respect to the percentage of forest products making up the total farm income, the total farm income is $46 million and of that $12,300,000 is from forest products. This means that one-quarter of the farm income of New Brunswick is derived from the forest.

The statistics of income from fishing by farmers along the coast, and especially in my county, is not shown. In the province of Prince Edward Island fishing income as a supplement to farm income is even greater.

Last week, along with the hon. member for Saint John-Albert, I had the opportunity of meeting two of the main agricultural societies in our area, namely the Wake federation of agriculture and the officers of the Canadian federation of agriculture. At this meeting we discussed floor prices. The agricultural societies in New Brunswick commended the government on the establishment of the 58-cent floor price on butter and its continuance for two years. They also told the hon. member for Saint John-Albert and me that they commended the government on the stand it had taken with regard to the sale of butter and the extra stocks of butter on hand at that time. They agreed with and commended the government on the other support prices for pork and the like. Another matter which was of interest to them and on which they commended the government was the favourable freight rates from the west to the maritimes and New Brunswick on feed grains, which are very important to us in the matter of raising livestock.

One thing was discussed there that I am interested in, namely, a resolution they had and which they asked us to support on the better labelling of meat products. I am going to quote the words of the manager of the Maritime Co-operative Services Limited in Moncton, who summed it up in this way, as quoted in the April issue of the *Wool Grower*:

> Constructive comments and additional suggestions come from Roy Grant, assistant manager of Maritime Co-operative Services Limited. Noting that meat eaters in the maritimes decreased their buying of lamb because they found it difficult to get good lamb, Mr. Grant told of a labour leader of his acquaintance who had suffered disappointment. "Later", he writes, "I found that he had been buying his lamb at a cut-rate store where they featured very low prices. I happened to know that this store regularly bought D and E grade lambs. No wonder the man did not like lamb."

Further on in this report he says this with respect to feed:

> As far as eastern Canada is concerned, too many people in the trade today are selling, for instance, choice or prime western beef and including in it a whole lot of western cows. Some of these same people will be shoving mutton in with lamb at every opportunity. It is my feeling that, if this job is going to be done, it had better be done by the producers themselves, particularly in view of the fact that they are the ones who will pay for it. Then, we can develop our own program and it should provide for sufficient consumer education so that a demand would be created for grade identification of all meats through to the consumer, as far as that is practicable.

At that time I told these gentlemen that I certainly thought this would be a good idea and that when I returned to Ottawa I would bring it to the attention of the department.

The hon. member for Mackenzie made some reference to income tax paid by farmers in New Brunswick. After I have put on record some figures concerning the cash income of farmers in New Brunswick, perhaps another look at the tabulation may show that farmers may be classified as lumber operators because, as I have pointed out, one-quarter of the farm income in New Brunswick is from the forests; or they may have been classified as fishermen because a large part of their cash income is derived from the month or more during which they operate in the fishing industry.

We are very proud of the job the farmers in New Brunswick are doing pretty much on their own. The farmers appreciate the price support and other forms of assistance given to them by the federal government.

The total cash farm income in New Brunswick was $46 million last year. You can readily see that if we gave $32 million to the agriculture of New Brunswick as we did in the case of the western agriculturists the income of the farmers in New Brunswick would be almost double. It would be a matter of sending it down. If any hon. member wants to send $32 million to the agriculturists in New Brunswick I am sure they would be only too happy to pay income tax on it. We never mind paying income tax in New Brunswick when we make the income.

In my riding there are several large chicken hatcheries and poultry growing plants and I visited one piggery in Westmorland county owned by a farmer who raises 2,000 pigs. In Moncton we have the plant of the Swift Canadian company which is an inducement to the farmers in our area to raise livestock which they can readily market.

That concludes the remarks I wish to make at this time. I simply wanted to clear up some false impressions that may have been left, although not intentionally, by hon. members who perhaps are not too familiar with the mode of farming in New Brunswick.

Mr. Pallett: Mr. Chairman, in speaking on the agricultural estimates I think I should perhaps first qualify my position in this house in that regard because there are some hon. members who feel, since Peel is adjacent to the great metropolis of metropolitan Toronto, that the agricultural industry is of minor importance and therefore it is considered in that light in relation to Peel county. I wish to assure hon. members of this house that that is not the case.

It may be of interest to hon. members to know that in this area we produce just about every agricultural product that is produced in the Dominion of Canada. We produce wheat and mixed grain crops, including hay, oats, rye and barley. We have an intensive production of vegetables. We have some of the finest orchards in the Dominion of Canada and an extensive production of smaller fruits. Our livestock and hog production is distinctive because we have many of the world's champions in this county. Our production under roof is startling because we produce 25 per cent of everything that is grown under glass or under roof in the province of Ontario including mushrooms, rhubarb, flowers and other indoor-grown products. It is from that position, Mr. Chairman, that I address my remarks to the house today.

We in Peel appreciate that under a free enterprise system you cannot always have every part of the economy in equal balance with the other parts. To do so would involve forgoing many fundamental rights which are of much more importance to the individual than his temporary financial position, but we also recognize that no country can allow any part of its economy to remain in an unfavourable position for any extended period of time.

Mr. Chairman, it is one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Pallett: Mr. Chairman, before the noon recess I was referring to the fact that the farmers welcome a free enterprise system but they realize that under such a system there are economic ups and downs. I was pointing out that where one part of our economy is depressed the other parts must recognize that fact and be ready to assist the depressed part to take the necessary steps to recover its position and in that way bring about a fair return under our present economic system. At noon I was reminded that perhaps I should mention to the house that I can speak from personal experience about the economic position of the farmer, having some direct knowledge of returns from our own farm during the past few years.

The farmers of this country, like other groups, are quite capable of taking care of themselves and in their present position they will formulate ways and means of coming back into their rightful position, but along with other groups they look for and expect responsibility on the part of governments in assisting them to carry out their policies. In the case of labour there is a recognition of the right to organize under our system; in the case of our manufacturers there is the recognition that certain industries need certain types of protection. These are drastic examples of how governments have assisted at various times in our history. I suggest to the Minister of Agriculture and to the house as a whole that the government must be responsive to any suggestions that come from agriculture at this time and which are put forward in an effort to bring agriculture out of its present position.

I was rather interested to hear an hon. member decrying the fact that the sons of farmers are leaving the farm. I think that has been the case with every generation. I do not particularly decry that, as I believe it will work to the benefit of our economy as a whole and of our country as a whole. No individual farm can continue to maintain all of the family raised on that farm. There is a natural movement cityward and perhaps that has a tendency to improve the quality of our city populations.

However, for those who remain on the farm and are playing a vital part in the economy of this country of ours there must be a recognition of their importance.

Statistics placed before the house show that there is decreasing importance of agriculture in relation to the gross national product. Any manufacturer knows that when

he loses part of his market he goes from a profit position to a loss position. When the manufacturers of this country lose that part of their market which has been occupied by the farmers those manufacturing concerns are going to start showing a loss rather than a profit. Apparently the importance of agriculture in the whole economy is diminishing but nevertheless agricultural purchasing power is of the utmost importance to preserve in order to maintain that profit-loss balance. It is with a selfish interest that we try to assure that that purchasing power is maintained. As I have said, a small reduction in the purchases from manufacturers will reduce their position from a profit to a loss position. This condition will be immediately reflected upon the condition of other workers who are directly or indirectly connected with the supplying of products which our agriculturists buy.

It is easy to put these facts before the committee and many other speakers have done this more aptly than I could, but there is more to this matter than just placing the situation before the committee to be considered. We should urge the minister—I have not heard it said in any speech that first of all the government should be prepared to acknowledge that agriculture is not enjoying the fat living which the government would have us believe it is enjoying—to admit frankly that there is a problem. If that were done we would at least have some consolation that the government admit that the problem is there and are at least thinking about it. They should give us some indication that they are showing concern rather than just passing it over. If the farmers of this country do not need the government in order to restore them to their economic position, this government may one day need the farmers.

I think one program which should be adopted, both by agriculture and by the government, is the greater use of "buy Canadian" slogans. There are just as many vitamins in tomatoes as there are in oranges and yet how many of those who prescribe diets suggest that tomato juice be drunk instead of orange juice. There are many other angles that could be developed on a national scale. Leadership in this regard must be on a national scale as this is something that can be developed only with the leadership of some federal agency.

Another thing which might be done, and this has been suggested already, is to have more research in agriculture. A tribute must be paid to those presently engaged in this and I think both the federal Department of Agriculture and the department of agriculture of Ontario are to be congratulated upon their approaches to this problem.

But there is one phase of research which has not been fully explored and which I believe would provide an answer to our immediate problem. Our research in the past has been concerned primarily with production. This has paid off because the productivity of agriculture is continually increasing. However, the need now is for research into new marketing methods and new uses for agricultural products. If the same energies were devoted to that end as have been devoted to the other phase I am sure that beneficial results would follow.

Speaking of markets, how much easier it would be for a farmer—I am dealing with the local situation—to deliver his eggs to the county town and sell them there than to pack them for shipment overseas.

Now let us build this country on a home consumption basis, and on that basis I suggest that the Minister of Agriculture had better get together with the Minister of Citizenship and Immigration so that we may obtain an increase in the population for home consumption. It is far easier, I suggest, to deliver your goods to local consumers, if you have the local consumers. He would be helping not only the consumption end of agricultural products but also the productive capacity of the community as a whole.

I wish to make just one final remark at this stage. There have been recent developments to which our attention has been directed and which may have quite a far-reaching effect upon the farmers in Ontario. I strongly urge that the minister have drafted and ready for submission to this house the necessary legislation to take care of any contingency that may result from the finding of the recent reference before the Supreme Court of Canada.

Mr. Herridge: During my brief remarks I intend to deal particularly with some of the problems of the farmers of British Columbia. I have listened with a great deal of interest to the remarks made from various sides of the house during discussion of this item, and particularly the remarks made by my colleagues.

I support the policies of the Canadian federation of agriculture. I do not think there is any necessity for me at this stage to repeat the excellent analysis of the international and domestic agricultural problems made by the previous speakers of this group. I think even the Minister of Agriculture will admit that I am not a repeater, except at meal times.

I speak with some knowledge of the problems of the ranchers of the interior of British Columbia because during the greater part of my life I have been a rancher on a somewhat microscopic scale and I know the problems of these people from the early days. We never discuss these estimates without my having certain nostalgic memories of the pioneer days in my constituency. I am happy to say that I have known and know the majority of the pioneer farmers and ranchers in the constituency I have the honour to represent.

I have lived through a period when the type of farming that largely prevailed in Kootenay West was known as "subsistence, existence and persistence" farming. We survived that period and are now in a more prosperous stage. I remember the days when we lived largely on tradition, scenery, promises from governments, and hope. So far as some of my constituents are concerned, they are still hoping that this government will take some action to remedy things that they can remedy if they are willing to give consideration to their problems.

I cannot pass on without saying that many people come to mind when I am speaking in a debate like this. To indicate the type of people I represent, I might say that just before I came to Ottawa I met a dear old gentleman of 85, a splendid type who has farmed for many years in Kootenay West. He said to me, "You know, Mr. Herridge, I am 85, but I would willingly die happy. I have done all the things that any virile and worth-while man would want to do. I visited Paris when I was 21, I played cricket at Lord's and golf at Saint Andrews, had a perfect hand in crib, had the opportunity to serve the empire in war, and have lived in the Kootenay district for 50 years." That is the kind of people I remember when I think of the early days in my constituency.

I shall also never forget that on another occasion another gentleman came to me who had not farmed prior to coming to this country. He asked me to come to his dairy farm and help him out. We had some very cold days in the winter. He was a very kindly man, and he made some horse-blankets for his cows. In addition, he made puttees out of gunny sacks to put on their legs, to keep out the cold. He wanted me to help him to adjust these puttees, because the puttees on the hind legs would not stay on.

Mr. Stick: He should have put them on the tail.

Mr. Herridge: Many of those people did some odd and comical things, but they have been the backbone of the part of the country I have the honour to represent, and they have performed miracles considering the difficulties they had to overcome.

Whilst many Canadian farmers, particularly those residing on the prairies, depend on the international market largely, we in British Columbia have an excellent market at home. In fact, we are in a particularly favourable position so far as markets are concerned. At the present time the farmers of British Columbia are able to supply only about 50 per cent over-all of British Columbia's agricultural food requirements, and in my constituency only something slightly over 25 per cent.

We have the finest climate in Canada; we have excellent soil; and we have this unfilled domestic market at our doors. One would think under those circumstances that the farmers of British Columbia could not help being prosperous. As a matter of fact, the reverse is the case. On that account I find, in my constituency, the young people leaving the farms and taking the more attractive jobs in industry, in business and so on. This afternoon I am going to try to illustrate, or shall I say diagnose, the problem. I shall deal later very briefly with the cure for the economic ills of the farmers of British Columbia. I expect that some time later in this debate the hon. member for Nanaimo will deal with the political medicine necessary to remedy the situation.

Now I am going to quote some figures to make my point. These were prepared by the secretary-manager of the British Columbia federation of agriculture, Mr. C. E. S. Walls, who has been doing an excellent job for the farmers of British Columbia for a number of years and who has made a close study of this situation.

Before passing on, I must pay tribute to the British Columbia federation of agriculture. I remember it from the day it was first organized. In fact, I helped in my own district to promote its first membership and have done so since. This organization is a solid, responsible, sound organization which is trying to do something effective for the farmers of British Columbia.

I have said that our domestic market is unfilled. In that connection, I should like to read briefly from a paper presented to the British Columbia natural resources conference by the superintendent of Summerland experimental station. Having dealt with agriculture in general, he then says, in part:

> With these pictures in my mind I realize that prospects for the sale of B.C. agricultural produce in export markets are very discouraging. Fortunately, the situation with regard to home markets is quite different. During the past ten years there has been a 40 per cent increase in the population

of B.C. Large scale pulp mills, aluminum plants, celanese factories and many other industries are now being established in this province. This rapid industrial expansion indicates that our population will continue to increase at a similar or accelerated rate during the next ten-year period. Although the agricultural production of B.C. has been expanding steadily, this province still imports large quantities of beef, lamb, pork, poultry and dairy products. We also import quantities of fruits and vegetables especially in the early part of the season when locally grown products are not available.

Then in concluding the statement he has this to say:

These trends may be stated very briefly as follows: 1. Export markets for B.C. agricultural products are decreasing. 2. In contrast, home markets are expanding rapidly. 3. On account of the high wage scales which prevail in B.C., consumer preference in these home markets is for high quality produce.

We have a large market for good produce.

4. In an endeavour to produce high quality produce at reasonable cost, progressive farmers are making effective use of labour saving equipment, fertilizers, irrigation and agricultural chemicals.

Then he goes on to deal with certain other aspects of the situation. There it is. The market is there for high quality produce and farmers are ready to produce it. Yet under present circumstances, and I will illustrate by figures, the farmers of British Columbia are in an even less favourable condition than the farmers of most other provinces in Canada. These tables are prepared from figures supplied by the dominion bureau of statistics. I give first the index numbers of farm prices of agricultural products in Canada for the year 1954. They are the latest year available. The table is based on the period from 1935 to 1939 equalling 100 and is as follows:

Index Nos. of Farm Prices of Agricultural Products

Province	Annual Index 1954
Prince Edward Island	194·8
Nova Scotia	244·3
New Brunswick	211·7
Quebec	264·8
Ontario	252·8
Manitoba	218·4
Saskatchewan	197·0
Alberta	222·2
British Columbia	254·0
Canadian Average	232·1

What do we get out of those figures? I get these facts from them. While cash income from the sale of farm products in Canada declined a further 12 per cent in 1954, this did not apply to British Columbia where farm income was $200,000 above that of 1953. The index of farm prices of agricultural products in British Columbia was the second highest in all Canada and yet according to figures I will present later British Columbia farmers had the lowest net income.

I come to table No. 2 which deals with farmers' net income as a percentage of farm cash income. The source of the figures is the dominion bureau of statistics and the year is 1953. The table is as follows:

Province	1953
Prince Edward Island	55 per cent
Nova Scotia	50 per cent
New Brunswick	61 per cent
Quebec	68 per cent
Ontario	58 per cent
Manitoba	51 per cent
Saskatchewan	63 per cent
Alberta	62 per cent
British Columbia	39 per cent
Canadian Average	61 per cent

This table shows that the proportionate net return in British Columbia is by far the lowest in Canada which proves that the cost of production there is proportionately the highest. I am sure that these figures are rather startling to anyone who comes from the province of British Columbia. Having now found the reason for the individual farmer's poor returns in spite of relatively high selling prices, namely, unusually high costs of production, we will try to find out the factors which are causing British Columbia's unfavourable position at this time. First of all we will deal with taxes because farmers always consider taxes one of the main costs of production. What do we find? Here is a table showing taxes paid as a percentage of farm cash income:

Province	Percentage
Prince Edward Island	2
Nova Scotia	7
New Brunswick	8
Quebec	4
Ontario	5
Manitoba	4
Saskatchewan	2
Alberta	4
British Columbia	5
Canadian Average	4

The figures for taxation indicate that the percentage thereof with respect to British Columbia farmers' cash income is not much higher than the Canadian average. Therefore we can conclude that high taxation is not a serious reason for the average British Columbia farmer's economic position generally. There may be some local conditions resulting in a difference from the general British Columbia figure but generally speaking we cannot say in British Columbia that taxes paid as a percentage of farm cash income very seriously affect the economic position of the farmer.

Now we come to another table. Labour is a considerable factor in farmers' costs. What is the relative labour cost in British Columbia

compared with other parts of Canada? The table indicates the following situation:

Hired Labour Wages as a Percentage of Farm Cash Income

Province	Percentage
Prince Edward Island	12
Nova Scotia	20
New Brunswick	14
Quebec	5
Ontario	6
Manitoba	7
Saskatchewan	4
Alberta	7
British Columbia	17
Canadian Average	6

These figures show that wages are one of the causes of the difficulties of British Columbia farmers, but the difference is not sufficient to mainly influence costs, especially when we see that for some unknown reason the percentage in Nova Scotia is 20. Therefore we can see that labour costs are not the most important factor affecting farmers' net income in British Columbia.

The British Columbia federation of agriculture made an investigation as to the use of fertilizers by farmers of that province and fertilizer prices, and they found that this factor did not have a serious effect on the farmers' net income. They found that fertilizer prices were possibly below average. They found that in 1953 British Columbia farmers spent $2,483,000 for fertilizer while the farmers of little Prince Edward Island spent $2,844,000. Therefore the amount of fertilizers used was relatively small in percentage and the cost was generally found to be lower than the Canadian average. The cost of fertilizers thus did not have a very serious effect upon the net income of the farmers of British Columbia.

Then we come to an analysis of another situation. In British Columbia there are poultry producers, livestock producers, dairymen, and on that account and because we are not a grain growing province a great amount of feed grains and mill feeds have to be imported. Mr. Walls began to examine this situation and this table indicates what he found. The table only relates to that portion of farm income that is derived from livestock, dairying, poultry and eggs, and is as follows:

Feed Cost Percentage of Cash Income from Livestock, Dairying, Poultry and Eggs

Province	Percentage
Prince Edward Island	27
Nova Scotia	44
New Brunswick	39
Quebec	44
Ontario	31
Manitoba	12
Saskatchewan	12
Alberta	12
British Columbia	60
Canadian Average	30

You can see how the figures change as you come to the prairies. In British Columbia feed cost is 60 per cent of cash income of those farmers concerned with livestock, dairying, poultry and eggs. After analysing all these various costs, taxation, labour, fertilizers, Mr. Walls found that the cost of feed is the most important production cost of those farmers engaged in the production of livestock, dairying and poultry products in British Columbia. That is a very serious situation and, strangely enough, it is one that the federal government can do something to correct. Here we find the principal answer to British Columbia's high production cost for the farmers I have mentioned, with British Columbia farmers having to purchase twice the Canadian average, of grain and mill feeds.

Now, what can the government do? This is not a question of international markets or export markets, this is a problem existing in British Columbia, which is a province in Canada adjoining the prairie provinces. Now, Mr. Chairman, I have analysed this situation and I have quoted figures from tables provided by the British Columbia federation of agriculture. I think Mr. Walls has done an excellent job in sifting through the figures to find what is the important factor in British Columbia with respect to net returns at present received by livestock producers, dairymen and poultry producers. As I said before, I expect my colleague the hon. member for Nanaimo will deal with the political medicine necessary to correct this situation, but I do want to say this before concluding. That this is a problem that could be to a considerable extent remedied by action on the part of this government.

I suggest briefly this government could do two things. First of all, I must say the present freight assistance is a help and the situation would be much worse if that assistance were not there. It is unfortunate that last year the government had to reduce that freight assistance to British Columbia farmers. In addition to that assistance, my first suggestion would be that this government could take some action to deal effectively with the milling combine in Canada because farmers and farm organizations buy their grains and mill feeds from the milling organizations in western Canada. I have seen a number of cars of grain unloaded, and I have noticed the poor quality on occasions. I have raised that question in this house before and I raise it again. I urge the minister to have his inspectors watch that situation very closely, indeed.

Now, what else can the government do? I might mention I think, to indicate the difference in price being received by the producers

on the prairie and the prices being paid by the farmers of British Columbia, that if my information is correct at the present time the farmer is paying $90 a ton for No. 5 wheat. I wonder what the prairie farmer is getting for that wheat? Why is there this abnormal spread between the producer and the consumer? I maintain this government could do something to correct that situation.

My second suggestion is that arrangements should be made by this government for farmers' organizations and co-operatives in British Columbia to buy their whole grain—wheat, oats and barley—directly from the prairie farmer, but through the wheat board. I would not for a moment suggest doing anything to undermine the proper functions of the wheat board. It was established to protect the interests of the prairie farmers, the grain producers of western Canada, and I would not for a moment suggest undermining its over all authority and its work in that connection. In making this suggestion I have the support of a good many farm organizations in British Columbia. It is unnecessary to have this extra burden of costs caused by shipping to the elevators and then re-shipping through the milling companies to the farmer, placed upon the farmer.

We suggest that if this government would make it possible for farm organizations and co-operatives to buy direct from the farmers through the wheat board—it is only a matter of paper work—the farmers in British Columbia would be saved a considerable amount. In doing that the government would only be extending the functions of the wheat board, by not only protecting the interests of the prairie farmer but protecting the interests of the farmers of British Columbia, Ontario and the maritimes. Now, I have dealt briefly with this question. I urge the minister to give consideration to our representations in this respect. I think this situation, in British Columbia and in eastern Canada, does offer an opportunity for the government to take action to improve the economic position of the farmers without disturbing the over-all benefits that are now flowing to prairie farmers from the wheat board, and of course without disturbing any present legislation. That would in the end be to the general advantage of all farmers and the people of Canada.

Mr. Bell: Mr. Chairman, I have always been a little bit slow in speaking on agriculture, but recently I have been fortified by a trip around my constituency and attendance at an agricultural meeting. I have also been fortified by the knowledge that western members, who may know something about agriculture, do not hesitate to speak on mining in New Brunswick about which, as it was proven yesterday they know nothing.

Mr. Johnston (Bow River): It is a good job your constituents are making you wake up a little bit. You should have some more meetings.

Mr. Bell: You can continue coming down to New Brunswick, and you will find out on June 18 where you belong.

Two recent statements have been made about agriculture that are in line with the general tone nowadays, and they were startling to me. First of all, the president of the maritime board of trade said that the Atlantic provinces spend 30 per cent of their income on food products, yet over 70 per cent of those said food products come from outside the Atlantic provinces. Then, the second statement that was rather startling to me came from one of the gentlemen who spoke with most authority at this agricultural meeting to which I referred a minute ago. He seemed to have some knowledge of the tax situation in his area because he said that out of 50 farms, nowadays only 25 of those farms were being taxed for agricultural purposes, but the whole 50 were still farms. Though the statement is true, and I am sure it is, it was simply a case of their still being on the farm, but the agricultural interests for tax purposes had been drastically changed. They had been reduced 100 per cent in this case.

In his opening remarks, the minister made some reference to the situation in Canada generally. I have forgotten exactly what the details were but my impression was that in New Brunswick the agricultural situation was not out of line with the rest of Canada. I am not going into the details but I want to refer to one or two things that were presented to the Gordon commission by the province of New Brunswick two weeks ago. First of all the statement was made that the capital investment in farms in New Brunswick is lower than any other province in Canada. They went on to make the statement that farm incomes in New Brunswick are very low. I do not think they are the lowest, but they are very low. I believe I read in a table of statistics that the increase in farm cash income in New Brunswick has not kept up with the general increase in Canada. It is not really out of line, but it certainly has not kept up.

The only other fact of significance in the report I think is that the changeover that is taking place in farming generally in the country has been much lower in New Brunswick. It is quite reasonable to assume that

in the west, with the concentration of farming, they would be quicker to take advantage of the changes and the modernization.

Now, I ask, what can the government do in this matter? I say that the government should increase its technical aid. This has been mentioned by other speakers. Of course, they could easily step it up in areas such as New Brunswick where the economy needs a little stimulation. This could readily be given through marketing and food growing policies and also in assisting in the erection of additional cold storage facilities. An example comes to my mind, Mr. Chairman. The marshland reclamation project has been completed; at least the main dam in Albert county has been completed. I do not intend to go into the details of that, although I may have several questions to ask when that item in the estimates of the Department of Agriculture is before the committee. However, I do wish to say that so far as general policy is concerned, the government has gone ahead with the Maritime Marshland Rehabilitation Act, and has spent upwards of $10 million in the maritimes on that project. In my constituency we have the largest part of that reclamation project. I think the amount spent there is well over $3 million. I for one have never been as pessimistic as some others about the project. I feel that it is quite an investment for the future, and the government deserves considerable credit for going ahead with it. I mention this to the minister because I feel it is important so far as the government is concerned. The government began the project; the land has been reclaimed. I was out there the other day. There has been some criticism of the way in which some of the contracts have been let, but to me it looks like a fine, commendable piece of work. But what is to be done with the land, Mr. Chairman, now that it has been reclaimed? The federal government must definitely line up a policy. The land is there; the farms are abandoned. There are over 5,000 acres of rich land which could be used for beef growing or for the resettlement of farmers or for the settlement of new farmers from overseas. I understand that the possibilities of growing grain are good there. I leave this thought with the minister today, Mr. Chairman, as one tangible way in which the government could use those lands to step up and stimulate the faltering agricultural economy.

Some forward steps have to be taken in that area. The farmers are watching and waiting. The government, in order to get the continued co-operation and good will of the farmers, must bring forth a forthright, progressive plan for the development of agriculture in the marshland area.

The Chairman: Shall the item carry?

Mr. McCullough (Moose Mountain): Mr. Chairman,—

Mr. Gardiner: If the item is not carried, may I make a short statement to my hon. friend who has just spoken. The arrangement which was made with the maritime provinces, both Nova Scotia and New Brunswick, was that we would build the dike or the dam, as the case may be, the aboiteau and things of that kind, in order to prevent the sea from getting in on the land, but all the activities behind those operations are to be carried on by the province. That is only natural, because the lands and resources belong to the province, and the assistance we give is to keep out the sea, and then the province carries on the other activities behind the dikes.

I am afraid we would require some different understanding from what we have now if we were to undertake the settlement of those particular lands. The understanding at the beginning, of course, was that the farmers who were already there would be encouraged to utilize the land so far as possible by extending down into the flats where they could not operate before, but a land policy is generally a provincial matter.

Mr. Bell: I appreciate that, Mr. Chairman. It is the word "encouragement" that bothers me. Where is that encouragement to come from? I appreciate the fact that there is divided jurisdiction. I agree with everything the minister said, but it is the word "encouragement" that I take exception to. How is that encouragement to be brought about, and who is responsible for it?

Mr. Gardiner: I would think the encouragement of settlement is the responsibility of the province. Where they desire us to take some part in it is another question. The whole question as to what the province thinks can be developed successfully is one which they should determine, not we.

Mr. McCullough (Moose Mountain): I should like to make some general remarks on the estimates of the Department of Agriculture because, while I agree quite readily with the remarks made by the hon. member to my right who has just taken his seat, it seems to be most difficult to get this government to recognize the fact that agriculture is in a depressed state. That is one of the first problems that we of the opposition groups have to contend with. This government appears to be drunk with power. It seems to be completely indifferent to the conditions facing our farmers from coast to coast.

We of the prairies have from time to time indicated that since 1954 agriculture in the

prairie provinces has been receiving a continued set-back in so far as its financial standing is concerned in comparison with the general economy of the country.

The last few days four or five members from the government side of the house have risen in their places and indicated that in the provinces of Ontario, New Brunswick, Prince Edward Island and British Columbia real problems are facing the agricultural producer, and we no longer have the apple polishers of the government's agricultural policies. Whether or not it is the intention of these individual members to make statements in the house so that they can indicate to their constituents, particularly those in the back concessions, that they have taken some opposition to the do-nothing policy of this government in respect to agriculture, and perhaps indicate that they have put forth policies which would assist the farming people in their efforts to maintain a decent standard of living, I do not know. However, I wish to say it seems very difficult to convince this government that some remedial policy is needed to rectify the conditions facing agriculture today. Just recently I returned from western Canada.

Mr. Byrne: On a point of order, this is the second time in this debate that hon. members from the C.C.F. party have imputed motives to members on this side of the house who spoke on behalf of their constituents, and I think it is about time they were called to order in that regard.

Mr. McCullough (Moose Mountain): Mr. Chairman, I have no intention of imputing motives to anyone. The members on the government side can always rise in their places and state their ideas and we are very happy to hear them. The unfortunate thing is that on most of the issues facing the country we do not find them too ready to rise except when they wish to condone such actions as took place yesterday when the government was prepared to take immediate action in order to railroad through issues which should more properly be put to the people of Canada.

The Chairman: Order. The hon. member will of course realize that his remarks were out of order and perhaps should be withdrawn.

Mr. Byrne: On the point of order, both hon. members have said that the members on this side of the house are speaking only for the purpose of taking their speeches back to their constituents. I say that is imputing motives. I am sure that hon. members on this side of the house speak with a genuine desire to help solve the problems of this country, and not simply for political purposes, as was suggested by the hon. member.

Mr. McCullough (Moose Mountain): Mr. Chairman, I never said any such thing.

The Chairman: The hon. member for Kootenay East is quite right but the hon. member who has the floor said that he had no wish to impute motives, and I think we can accept that statement.

Mr. McCullough (Moose Mountain): Mr. Chairman, the important thing is that while agriculture perhaps relatively does not hold the important place in the Canadian economy that it did a number of years ago, it is still the basic industry of Canada and I maintain that the prosperity of that industry will have a direct effect on the entire economy. When it is recognized that there is a total of $9,593 million invested by way of capital investment in farm land, buildings, equipment and livestock as compared with a total of $8,470 million invested in all manufacturing industries, I think it is clear to all hon. members that agriculture does rank as an important industry in Canada. I have never heard hon. members of this house criticize the farmers of Canada in terms of their being inefficient. I might say that the present condition facing the western farmer is largely due to his efficiency. He has been able to produce extremely efficiently and his surpluses bring about the problem which faces him today. He cannot market the large volume of produce he has been successful in growing. I suggest to the government that not only wheat—which is perhaps not fully under the jurisdiction of the Minister of Agriculture—but all farm products are between 20 and 40 per cent under a fair equity price as compared with the farmer's cost of production. That is the number 1 problem facing the western farmer.

When one considers that entire communities in western Canada are dependent upon the prosperity of agriculture, one can readily recognize that today our farm communities and municipalities are in a position in which it is difficult to carry on.

I was talking to some of the leaders of the farm implement industry in western Canada and they told me they have not experienced such difficulties since the hungry thirties. The sale of farm implements and the problem of carrying on efficiently is extremely serious in many cases.

I wish to point out to the Minister of Agriculture that while we have had prosperity from 1945 to 1952—we had in that period some of our most productive years—we have recurring droughts in the bread basket of the west, namely the Palliser triangle. Our temporary post-war prosperity

has been largely cancelled out by the conditions prevailing in the last two or three years during which farm costs have gone up, and this government has failed in its policy—

Mr. Gardiner: Mr. Chairman, I rise on a point of order. I have in my hand a copy of *Hansard* dated February 10, 1956. On page 1083 there appears the speech made by the hon. member on that date. He is repeating it today almost word for word. If he does not agree that that is what he is doing I will read part of it to him.

Mr. McCullough (Moose Mountain): Go ahead.

Mr. Gardiner: Very well.

> The reference is to machinery repairs and parts. In that connection I may say that the Canadian Federation of Agriculture, as reported in the wheat pool report of January 1956, asks that tariffs be cut on certain items the farmer must buy—

And so on. Then:

> The situation in respect of the whole western economy is getting worse. It is affecting our merchants, our retail sales trade and also the livelihood of the people.
> . . . In 1954 sales of all farm implements across Canada dropped 38 per cent, or more than $92 million. Even the sales of repair parts were down 14 per cent, an even surer indication that farmers are pressed for ready cash. In reference to Saskatchewan it says: "For instance Saskatchewan sales last year dropped by more than one-half. Alberta's by 45 per cent."

And so on.

The hon. member continues with the same kind of thing he is repeating today. One of the important rules in connection with debates in this house is that there must not be repetition and certainly when an hon. member is for the second time taking up his 30 minutes in committee and thus delaying the passing of this particular item I think he will understand before he concludes why there ought to be closure in this house.

Mr. Byrne: This makes three times the hon. member has made the same speech in this house.

The Chairman: After listening to the words of the Minister of Agriculture may I say I think he made a very good case concerning repetition. Perhaps I should arm myself with a copy of *Hansard* for February 10 also.

Mr. Byrne: Get a copy of his speech.

Mr. McCullough (Moose Mountain): First of all, I want to say that I think it is sometimes extremely valuable to have repetition in this house; perhaps it will lead to a conviction on the part of the government to take some action. On the other hand I might say that the statement I am making is not from any notes I used previously and it is a coincidence that there is any resemblance to what I said formerly. The statement still stands, however, that agriculture is today in need of direct action on the part of this government.

I would suggest a number of things. First of all I suggest that something has to be done to rectify the cost price squeeze facing the producers of this country. The hon. member for Kootenay East spoke about the condition amongst the fruit growers in the Okanagan and we listened to an hon. member from the province of New Brunswick state the situation in which farmers in his constituency and province find themselves. For some years now I have suggested in this house some policies which I think would serve as a solution to the problem facing the producers.

Once the producer has done his job of producing efficiently he is frequently completely helpless in that he has no method by which he can receive a fair price for what he has produced. I submit that the responsibility in this field rests with the federal government. Manufacturers are in a position to ask the public to pay a price which will give them a fair return and in relation to the marketing of farm products there is a problem which must be solved by government policy.

In the last few years we have lost the British market and there are indications in the press that our trade with Britain has fallen drastically again this year. This can only lead to a smaller trade of farm products with Britain. I suggest that this government take upon itself the responsibility to find markets for our farm products. In the past I suggested that in this country we produce only one year's normal food supply for our country and for export. It seems to me that we should have adequate storage for grain and other surplus produce within our country so the producers would not necessarily have to take anything but a fair price in return for their produce.

In Canada we have room for the storage of 580 million bushels of grain at various points outside of the farm points. I submit that could be extended into a food and fodder bank. We could have food storage facilities and fodder storage facilities similar to granaries where these products could be stored for any contingency which might arise.

There are other aspects of this problem to which this government has paid little attention. We have a good-neighbour policy with the hungry peoples of the world under which we are attempting to exert western influence and show the people in undeveloped countries that the people of the west are their friends. By this means we endeavour to counteract Soviet expansion.

In addition to this use of our foodstuffs there is a great opportunity for the industrial use of farm products. I am speaking now particularly of chemurgy. In order to use our surplus foods for other purposes the government should explore that field and perhaps it could come up with some answers concerning the chemurgic use of our farm products.

I was quite interested in something which was brought to my attention recently which indicates that not only is the farmer taking the rap with respect to the tremendous increase in prices in Canada but also the consumer is victimized. One item which illustrates the situation is farm livestock products. Today the consumer is still paying high prices for choice meat cuts. The records of the Winnipeg stock exchange show that the farmers are getting 16 or 17 cents for choice beef.

Then there is the matter of the by-products. Taking the 1935-39 period as an index figure of 100 we find that the wholesale price index of raw hides, including sheep and calfskins, increased from 103·8 in 1939 to 114·4 in 1955. But when these hides are turned into boots and shoes we find that in that same period the index rose from 101·8 to 204·4. It will be seen that while in many cases the prices received by the farmer have gone down the consumer is paying higher prices for the things manufactured from farm products.

I have here an article which appeared in the *Journal* of April 21 entitled "Why the Farmer Complains" and I should like to read one short paragraph as follows:

> D.B.S. states that in 1955 farmers in Canada received 46 cents of the consumers' food dollar, two cents less than the 1949-54 average. But while 1955 retail food prices were 11 per cent higher than in 1949 the farmer received 3 per cent less and marketing costs were up almost 25 per cent.

I just want to leave this thought with the committee, that while the government may be self-satisfied with the rather buoyant economy evident in our industrial, oil and mineral development, we find this great segment of the Canadian economy, and I refer to agriculture, facing perhaps one of the most serious situations since the hungry thirties. I suggest to the government that we still have in Canada the possibilities of doing something for the farmer. There are many old age pensioners living on $40 a month and in many cases they do not have the kind of food they should have. I suggest that some way should be devised to get some of this surplus food into the hands of our old age pensioners and families in the low income brackets. Some policy should be evolved whereby the standard of living of such people could be increased so that they could buy more of the food which is now in surplus in Canada.

I have investigated some of the policies carried on by the United States government. They have a school lunch program under which school children are given milk and dairy products. The federal government in the United States is undertaking a $5,000 million program to guarantee the farmers a fair price as related to their costs of production. In this country the government has done nothing. It has its defence production program and other development programs but is quite satisfied to leave the farmer out of this prosperity in Canada.

Our farmers gave the war effort everything they had and yet today we find these same people in this price-cost squeeze. Many returned men came back and went on the land but today find themselves loaded with debt. Unless something is done to straighten out this cost-price squeeze they will find themselves in the position in which their fathers were when they came back after the first world war. Those men went on the land under soldier settlement schemes and many of them lost their farms.

There is a definite need for the Minister of Agriculture to meet with his colleagues. I think this matter is just as important as the Trans-Canada Pipe Lines or any other issue that may face this government. I suggest to the government that now that this grain has been produced the farmers should not be forced to sell it at a price which does not bear a fair relationship to their costs of production. Their farm machinery costs and other costs are increasing and they face the possibility of being saddled with debt.

It is not satisfactory just to pass legislation to give the farmer the right to go to the bank to borrow money on a long-term amortization arrangement. What we want in this country is a more prosperous farm economy. In this house we talk mostly about monetary policies, but there is this other important and nonetheless tangible aspect of our economy. We must give a fair deal to the people on the soil. The strength of this nation has been in the people on the land and today those people are worried. They are filled with apathy. The young people are leaving the farms to go into industry where they can obtain more lucrative employment.

I do not want to delay this item but I do want to impress upon the Minister of Agriculture that he has a real job on his hands to convince this government that they should act. All we have to do is to look at some of the corporation profits that have been made

and the buoyant economy which has been indicated by the Minister of Finance. An article in the Toronto *Star* of April 19 indicates that profits in 1955 hit $1,656 million, up 35 per cent. But the farmers of this country, the people who are the backbone of this country, find their standard of living is going down. So I do hope that we will have a real answer by the government to this problem which is facing the farmer.

Mr. Gardiner: Mr. Chairman, I should like to make one or two remarks in connection with the points just raised and which I think should be answered. It is suggested that we should have a milk program in connection with the schools such as they have in the United States. Everyone in the committee knows that there are milk boards in every province and anything that is going to be done to put milk in schools must be done by the provinces.

Mr. McCullough (Moose Mountain): Don't pass the buck again.

Mr. Gardiner: Those governments ought to do their job. If that should be done the government of Saskatchewan is not doing its job in connection with that matter. If you want milk in the schools they are the ones who should be carrying out that program. We made an investigation of this matter and we thought we might be able to assist in putting machines in the schools such as they have in the United States so the students would be able to get milk instead of other drinks that might be served in the schools. That idea has been supported right along but as yet no province has taken it up.

Our schools in this country are run by the provinces; our milk boards are run by the provinces, and the distribution of milk is within provincial jurisdiction. If that kind of thing is to be done, that is where it should be considered. This government would be prepared to co-operate in any plan of that kind.

It has been suggested that this government ought to do some of the other things that are being done in the United States. There is a 58 cent floor under butter in this country and there is no such thing in the United States. The price of butter in this country has been higher for some time than in the United States. When hon. members compare the situation in this country with conditions elsewhere they ought to recite the good points as well as the bad, if there are some bad points related to a particular matter. The 58-cent floor for butter has established a very good control over the price levels for other dairy products across Canada.

I have scores of letters in my office—and other members of this house have them as well—from farm organizations right across the country, indicating that that is the case. We extended the 58-cent price for two years just recently. Comments came in from all across the country indicating that that was the best thing to do for the dairy industry in general and that it was very helpful.

On the other hand, we have a floor price on eggs. We have the 38-cent price which is paid when eggs are in storage, in December of the year. There is not a provincial government, I am not speaking of Saskatchewan alone, but there is not a provincial government which has taken that as an opportunity to establish prices within the province. It can be done. We guarantee them as to their position. They cannot lose, at a rate which is based on 38 cents for stored eggs in December. They can establish a price based on that, but we cannot establish that price. We have not the authority under our constitution to do it, but any province can do it if it is not working to their satisfaction. If some people are getting less than they should for eggs, they can control that.

I only wish to point out that in a country like this that is working under a federated form of government, where there are ten provinces where their authority is somewhat different from that of the states in the United States, this government must depend on the wishes of the people who are operating in the provinces as to what we should promote and what we should not promote in the way of production. If we went to British Columbia and said, "Produce twice as many apples as you are producing now," they would tell us, "You had better go and market them," because they have difficulty in marketing what they are producing now. If we said to Ontario, "You should produce twice as many eggs as you produce now," they would say to us, "You had better find some place to market them." The authority for agriculture is divided as between the provincial and the federal governments, and we leave it largely to the provinces to say what they think ought to be produced within the province, and to set up systems under which that production can either be held at some normal rate or be increased or even reduced a little, depending on what they desire to have done. Our administration not only attempts but succeeds in doing what is best and has been succeeding in doing it over a long period.

Mr. Charlton: I have just one short question. The minister made reference to a policy regarding the supply of whole milk to school children across Canada. I wonder if he would

tell the committee what that policy is and whether the provinces have been made aware of this policy.

Mr. Gardiner: We have indicated to provincial officials and ministers who come here from time to time to the conference and advisory committee that has been spoken of here, and others, the investigations we have made in the state of New York and elsewhere as to how the program is carried out. We have suggested we are prepared to consider with any of them any system that they desire to put in and to consider even the possibility of giving some assistance in connection with the obtaining of the kind of machines used there in general practice, where something is put in a slot and a bottle of milk is obtained.

Mr. Charlton: Then the truth is that no definite policy has been arrived at? It has just been considered with the provinces. No actual policy has been handed to the provinces?

Mr. Gardiner: A better way to state it is that no province has devised a policy to make use of it.

Mr. Charlton: The federal government has never offered them a policy.

Mr. Gardiner: We cannot distribute milk in the provinces. As a matter of fact, they will not let us have anything to do with the administration of milk boards. That is their responsibility, and they take it.

Mr. McCullough (Moose Mountain): May I ask the minister whether there is any definite commitment as to the financial obligation that the federal government would be prepared to undertake in respect to the plan he has indicated?

Mr. Charlton: No.

Mr. Gardiner: If any province will make a proposition to us that they want it done, we shall submit to them at once what we are prepared to do.

Mr. Rowe: I do not wish to delay the house at any length. I do feel that it is interesting to listen to the discussions and observe the more or less nonchalant complacency of the government and its supporters with reference to agriculture generally. However, I am glad to learn today that the dairy men have learned that there is a new slot-machine policy being established in their interests. It may be of some real help. The minister has not said whether he will supply the slot machines or the milk, but it is something at least for them to hope for in future.

No doubt there have been great changes in agriculture generally, and its importance and place in our Canadian economy. I make no apologies for mentioning its place here, on the first item, because that is about the only item on which we might be able to make observations as to the position the farmers are in throughout the dominion. That is why those, especially, who do not belong to the government have felt probably they should make vigorous statements at such times and have tried to place before parliament the position of their farmers in their respective districts.

I believe, independent of party, every hon. member in this house realizes the very important place of Canadian agriculture in the life of this dominion. It is true that that place is not as prominent on a percentage basis in our national production as it was a few years ago. In fact, it has changed very greatly. The figures have been placed on *Hansard* very often to show that the percentage of our whole industrial development has increased in other lines, while today agriculture has only about half the importance on the basis of percentage of gross national production. Indeed, those employed and obtaining subsistence from the agricultural industry are greatly reduced in numbers in view of machinery and other developments. That tends to make some people doubt the importance of agriculture.

Some hon. member this afternoon has used the term that many of us have used at times, that agriculture is the backbone of Canadian prosperity. We have used that term in the past and some of us now doubt whether it is so much the backbone. In fact, at times one would think the back was almost broken by the change in this part of our whole prosperity. The industrial development of our country and the numbers of people employed in our industrial and commercial enterprises in Canada are now increasing much more rapidly than agriculture. In fact those in agriculture, as I have said, are reduced in numbers. But I believe the government, as well as some people such as I have mentioned, seems to have more or less let the chances of agriculture grow more and more haphazard. Policies have been tried of handouts here and handouts there, subsidies and fixed prices, and it is struggling for a solution, but more or less with the attitude that we shall get along all right whether agriculture is prosperous or not.

Now we are beginning to see the effects. We see now that there are already many people unemployed in Canada today and many are looking for other jobs, whether you would call them fully unemployed now or not, because of the reduced purchasing power of the Canadian farmer. In the small towns and villages across this country, farm tractor sales have been reduced very much this

spring. I believe hon. members will find in their respective districts that farm tractor salesmen will tell them that they are not selling any farm tractors where they sold ten last year. In fact, in some districts it is even worse than that proportionately, even to the extent that in some districts the price of the heavy draught horse has increased because the farmers feel they cannot afford to repair their tractors or buy new tractors. That has happened in several districts.

I do claim that we seem to overlook the importance of sound national policies with respect to agriculture. Just as agriculture affects our whole national economy, so did the fiscal and national policies of the government in power affect agriculture. The greatest hope for Canadian agriculture, and it is often overlooked, is the development of our home markets here in Canada. There is no market in the world that offers more hope for Canadian farmers than our own home market, the home market of your own district, Mr. Chairman, around Orillia, the home markets of our own home counties, the home markets around Kitchener, Waterloo, London, Quebec city, Three Rivers, Brandon, Lethbridge, Vancouver and all the other places.

These home markets are our best markets and have always been our best markets. The minister said this afternoon that he is not going to go out and encourage the production of this or the production of that just because we have too much of something and cannot sell it. I remember when he told people around London a few years ago to get more sows and produce more pigs. They produced more pigs and inside of two years they did not know what to do with the little pigs. He has learned his lesson. No man can be in politics as long as he and I have been without learning something, even though in both cases it might be limited.

I quite agree with that, but I say the government have never had a sound fiscal policy. They have ridden the gravy train for so long that they feel they do not need a policy. They rode into power years ago in the same way, and went out of power after they had lost the world markets. The Minister of Agriculture and his friend the Minister of Trade and Commerce have been in politics a long time, but if they are no longer employed in politics after the next election they had better not hang out their shingles as butter and egg salesmen.

The Minister of Agriculture will say that he has guaranteed a price and that there is not too much butter, but never have we had so much butter in store as we have at the present time. We have more wheat than we have had on any other occasion except one, and our surpluses of these products are increasing. We have more or less lost the world markets for these products.

I have listened in the house for many years to chidings, jibes and rumblings from the Liberal party about fiscal policy. They tell us that we must sell if we are going to buy. Well, I have watched the very same party over a quarter of a century selling more and more to the United States of America, where they have ever-increasing surpluses of the very same products to sell.

I have watched the government encouraging that policy. I have watched it all during these years and have read about it in earlier years. We have bought less and less percentagewise from the greatest market for farm products in the world, the British market, and today we have a favourable trade balance with the old land, the British Isles. Last year we had a favourable trade balance. Ever since 1900 we have had a favourable trade balance; down through the years we have accumulated several billions of dollars of favourable trade balances. Yet we are told that the reason we should buy manufactured products from other countries is so we can sell our agricultural products.

From the great republic to the south we are buying the finished products made by their workers who are eating beef produced in the United States and butter and eggs produced in the United States, and who are selling us their finished products to the extent of many billions of dollars. I do not like to repeat figures too often, but this situation has been emphasized in the last few days. Every hon. member is aware of it and I know that the Minister of Agriculture, even though he has more to do than just deal with agriculture, and the other members of the government are properly disturbed at the present time because every day we are buying from the United States almost $3 million more than we are selling to them. Eighty-five per cent of their products are fully manufactured, and their production helps to establish home markets in the United States for the farmers of that country.

I have listened for years and years to people talking about how we are going to solve the problem. I have listened to people say that we must buy where we can buy the cheapest and we must buy if we are going to sell. But, Mr. Chairman, it is very hard to reconcile that as sound fiscal logic if we are going to buy $3 million a day more than we are selling, from the country that has the largest surpluses of what you are trying to sell of any country in the world.

These are the things that are hitting right at the heart of our Canadian agricultural

prosperity. Our home markets will take our potatoes and our fish from the east. I do not know whether you can call fish an agricultural product altogether, but it does provide work and food for Canadians. Our people will take our dairy products, our poultry and egg products. They will take our beef and pork products and some of that huge surplus of butter the Minister of Agriculture is piling higher and higher. But the government is not giving leadership by way of a sound fiscal policy.

Surely when we are trying to get rid of wheat it is not the time to import United States turkeys into Canada. Three times as many turkeys are coming in now as came in three years ago. Enough turkeys were imported into Canada last year to put almost every turkey man in Canada in the mood to retire from the industry entirely. I have many in my own riding who have written me letters saying they wondered whether the government was going to allow the same thing next year, and if it was they did not think they would continue in the turkey business. You are trying to sell wheat, yet you are importing a million bushels of wheat in the form of turkeys. If all the turkeys consumed in Canada were produced in Canada they would consume at least a million bushels of wheat. Of course, what is a million bushels of wheat to this government? They cannot see the problem because they cannot even see over the piles of wheat.

Why do the government hesitate to do what they have been asked to do by those who understand the industry? Why do you hesitate to put on a tariff of 5 or 10 cents a pound against turkeys coming into this country when the United States, the country that is sending turkeys into Canada as a surplus product produced in a warmer and better climate where it is easier to produce them, put a tariff of 10 cents against the importation of our turkeys? There would be no reflection on you if you recanted. Why do you not drop these old dusty shackles of free trade and do that for these turkey producers even if you will not do it for anybody else?

Why do we need to import cheese from warmer climates where cheese can be produced so much cheaper? I do not know how much is going to come in this year. Three million pounds are sneaked in at one time and five million pounds another time. If you ask about it you are apt to be told it is not in the public interest to give any information, at least until the cheese is eaten. It is like other things. You cannot get any information from the government. Perhaps we would get through the estimates more quickly if we knew something about what is going on. In all my experience in parliament I have never known a government to sit so quietly and say nothing on everything. However, it is no wonder because the members of the government are always applauded when they refuse to answer.

We have canned meat coming into Canada from countries that can produce meat cheaper than we can. We are even having canned rabbit coming into the country to take the place of beef, the production of which is increasing in Canada.

Yes, Mr. Chairman, it goes far deeper than what you are going to do with a slot-machine policy to try to increase the sale of milk. It goes far deeper than what you are going to do with a wheat policy that has already lost this country hundreds of millions of dollars. It goes far deeper than that. As has been put on *Hansard* this afternoon, the farmers of almost every country in the world are receiving higher prices for their wheat than is the Canadian farmer. We are told there are millions of people in the world who are starving, yet we have millions of bushels and pounds of surplus foodstuffs in Canada.

It is not my purpose, Mr. Chairman, to hold up this item except to urge the government to look a little further through this haze or maze or cloak of complacency which seems to envelop them, because if they do not that cloak will become their shroud before they are through. Right now we are on the verge of changed conditions in Canada unless we are more careful and give more attention to a sound policy for agriculture. We cannot continue with ever-increasing adverse balances of trade such as we have mounting up at the present time. There is continual harping about the farmers' income dropping 17 per cent in one year, 12 per cent in another year, and so on. Indeed, the farmers' income is down more than the income of any other major branch of Canadian life.

The agricultural industry is not sharing in the increased prices, increased wages and increased general prosperity of the last few years. The fact is that the automobile dealers are beginning to worry; the farm implement dealers are already worried; the farmer himself is worried; the farmer's wife is worried, and the girls and boys going to university are worried because the farmer has these heavy overhead charges and the balance between the cost of production and his sale price is small. He is caught in a squeeze play that is very critical indeed.

I believe that the future of Canadian agriculture, and the future of other industries in Canada, is generally bright, Mr. Chairman, if we have sound fiscal policy. I warn the government that unless it has a change of

attitude, agriculture may face very critical days. You know very well, Mr. Chairman, that if agriculture faces difficult days and this situation grows worse, then the merchant, the manufacturer, the dealer, the labouring man, will feel it just as they have felt it every time agriculture has gone into a recession if not a depression.

I would urge the government to take another look at this adverse balance of trade. In fact they should look at it every night before they go to bed, because it is increasing every day. I say again they should not be ashamed to adopt some of these dusty old theories they had in the past, even if it does mean putting on a protective tariff. We have heard a lot about the tariff on turkeys coming into Canada, on potatoes, on fruits and vegetables. We have heavy investments in all those industries in Canada now. There are people throughout this country today who for 15 years have made the production of turkeys the branch of agriculture upon which they are solely dependent. We have others, many in my own district, who are dependent on fruits and vegetables for their revenue. We have others in the meat business.

The Minister of Agriculture well knows, and I know every hon. member even from the western provinces realizes now as they are diversifying their industry, that mixed farming does help. If we can feed more of our grain to livestock, diversify our whole production and increase our population, thus increasing our home markets, then with sound fiscal policies we will have the best market for agricultural products.

This market has always been the best. The British market has always been the second best. The United States market has always been the most doubtful, the most dangerous and the most unpredictable. The only one in which we are following a practice of buying in order to sell is the United States market, and we are buying more than we are selling. The second best market has been lost, just as it was lost by the same party from 1921 to 1930. The one that is best of all is the one that is least thought of, and the least assisted, because of lack of fiscal policy and unsound general policy dealing with our whole trade situation.

Mr. Jones: Before the resolution carries there are just one or two remarks I should like to make. First of all, the last speaker suggested the farmers could get out of their difficulty with diversified farming. In general that could be true, but so far as the farmers of my constituency are concerned it could not be done because their farming is of a variety that cannot be alternated year after year. Once these trees are planted they are there for 10, 20 or 30 years. The diversification of crops is, therefore, very difficult if not impossible.

The problem of marketing is more intense, in my opinion for the farmers of my constituency than the diversification of their products. I am not going to repeat all that has already been said because the minister has attended conventions, he has received representations and he is fully conversant with the problems affecting the fruit and vegetable growers. I would ask him to pay special attention to the unfair competition these people have suffered for several years. The facts are known to the department. Fruit and vegetable products from the United States are dumped, particularly in the west, at absurd prices just before our own fruits and vegetables are ready for market. This paralyses the market in many cases. Last year potatoes had to be left in the ground because it did not pay to dig them up.

The loss of the United Kingdom market was a severe blow to us. I hope the government will go out of its way this coming year to try to increase the shipments of our fruit to England, particularly apples. I say this because through government assistance we have more and more fruit lands coming into production. These lands were purchased by veterans under the D.V.A. and developed with government assistance. The government therefore has a responsibility to see that the products produced on these government-sponsored lands find a ready market.

My real reason for rising was to express my appreciation of the work done by the experimental farm at Summerland. I spent some time there last summer going through all the various departments and watching them at work, carrying out their operations and trying to solve problems that affect the fruit growers and canners of the valley. I can say this, that I have never come across a staff working so sincerely and earnestly as the staff at that experimental station. I did feel that they were sorely cramped for space. The buildings are old and in many cases obsolete. I understand the government is contemplating erecting new buildings to house at least some of the laboratories and so on. I hope the minister will tell us later on what is actually being done and when it will be done.

I can assure him that the fruit growers and apple producers of the Okanagan valley are pleased with the work done under cramped conditions at the experimental farm at Summerland. But the loss of the British market created a serious problem in connection with

our small apples. The British market prefers small apples to any others. Therefore this year we are forced to destroy or get rid of all our Cee grade apples, the 180's in all varieties except Winesaps and Newtowns. From now on these apples are to be classified as culls. They are the type of apple they like in Britain because of their small size. In many instances the trees were pruned and planted to grow that type of apple for the old country market. Now these are to be added to the normal culls this coming year, which are culled because of their lack of colour or other blemishes, size development and so on. These small good apples are cull apples now. That is one of the problems with which we have to deal in the Okanagan valley.

There is a limited market for our apple juice, and we have an excellent product which has found a market practically all over North America. The limited outlet for this apple juice does not take care of all the new culls plus the normal culls that will come into the packing houses because of the new ruling. We have also processed some of these apples for pie filler and that kind of thing. It has been done with the help and assistance of the experimental farm, but these outlets do not take care of all our cull apples, and certainly will not this year.

At the convention held in January the British Columbia fruit growers' association passed this resolution:

> Be it resolved by this 1956 British Columbia fruit growers' association convention that this association conduct a comprehensive program of research into the possibilities of utilizing apples, particularly into the prospects of developing the making of cider into a subsidiary industry in the Okanagan.

This resolution was carried unanimously. Naturally the farmers are looking to the experimental farm to carry out the necessary experiments to produce a good cider. I have been given to understand that to have a marketable cider it should contain about the same alcoholic content as beer, namely roughly 8 per cent proof and 4 per cent by weight. Then to make it really marketable it has to be clarified and carbonated, and that is where our problem starts.

I am going to suggest to the minister that this is a place where he could combine with the Minister of National Revenue and possibly give some assistance to the farmers. Some 25 or 30 years ago his predecessor in the same office authorized experiments to be carried on at the same experimental station in the making of liqueurs. They produced some excellent brandy and other liqueurs from peaches and apricots. They had a fine still and were doing a remarkable job of research, and everything was ready to be transferred to commercial use when lo and behold the revenue department came in and smashed the still and all the samples. I hope the minister will not have the same trouble with the present Minister of National Revenue that his predecessor had.

Cider clarified and carbonated calls for an excise tax of $2.50 a gallon. This tax would kill the sale of apple cider, especially in competition with imported wines and so on. To satisfy the revenue department it has to be classified as champagne, of all things; no other wine, just champagne, and that is why it bears that tax per gallon. Without being carbonated it is a dull cider containing only 7 per cent alcohol, less than beer, but it would have to pay an excise tax of 50 cents a gallon. I realize that with this alcoholic content it would have to be sold in liquor stores and beer parlours, which would lower its sale considerably; but at the same time I believe it would afford a wholesome drink in competition with some of the beer that is now being sold.

I have been asked by some of the growers in my riding to make inquiries to see whether the revenue department and the agriculture department could not get together and allow a low grade alcoholic cider to be sold in grocery stores. I do not know whether it is feasible; I am just passing on the suggestion made to me. I have been given to understand that in California, New York and some other states a low alcoholic content cider and other fruit juices are being sold through ordinary grocery and similar channels. The growers who have written to me suggest that something of that kind should be possible in Canada. It would be merely a soft drink made out of apples but presumably it has to contain a small amount of alcohol to keep it from deteriorating, not exceeding 2 to 2½ per cent.

I also pass on another suggestion. Commercial alcohol can be made from waste fruit. We have waste fruit that is not even worth putting into cider but it could be made into commercial alcohol, of which a considerable quantity is used in Canada. I have made inquiries to find out where the present alcohol comes from and in what quantities. I find that seven or eight different types of alcohol are brought into Canada each year. Two of the main types can be and are sometimes made from fruit waste. These two types combined amounted to 1,816,949 gallons which we brought into Canada last year, mainly from Germany.

That alcohol could be manufactured from waste fruit products right here in our own country. At Hood River in Oregon there is such a plant that has been operating profitably for many years making commercial

alcohol out of waste fruit. When I made further inquiries as to the possibility of establishing such a plant in the Okanagan valley I found that the first thing you do is to send a bond to the national revenue excise branch for $100,000.

An hon. Member: Is that all?

Mr. Jones: Yes; followed by a licence fee of $250 plus a special type of building erected to their specifications. Then you require a provincial licence as well, so the capital outlay makes it practically impossible to entertain the idea of manufacturing straight commercial alcohol.

Owing to the fact that Canada is dependent on imports of nearly 2 million gallons annually, I would suggest that the department consider carrying on experiments at the experimental farm to find out whether alcohol cannot be produced cheaply by some other means than the expensive way the revenue department demands at the present time.

Mr. Cardiff: Mr. Chairman, about a month ago when these estimates first came before the house, I spoke for about four minutes. I waited until the last moment to see whether somebody else would say what I wanted to say and I would not bother rising at all, but there are a few points that I should like to bring to the attention of the minister. I should like to tell the minister that I have always held the very highest regard for him because he comes from the county of Huron. He was raised there, and it was too bad that he moved away. I am sorry he went to Saskatchewan, because if there is one thing more than another we do not need it is a Minister of Agriculture from Saskatchewan.

Just to show how discouraged people in other walks of life are with respect to farm prices, may I say that the Ontario provincial chamber of commerce at its annual meeting approved a revised policy for agriculture, stating that international trade has placed many Ontario farmers in a hopeless competitive position. It went on further to state that official announcements on agricultural earnings should be made on a basis of net rather than gross income to avoid erroneous impressions of farm prosperity. The chamber of commerce was disturbed because of the decreased purchasing power of 600,000 farmers across Canada and the decided effect it would have on the economy of the country as a whole.

I think people in all walks of life will agree that as long as agriculture is prospering the rest of the country will share in that prosperity, because agriculturists are the best spenders we have. The labour movement is also becoming alarmed at the decline in farm income. They know perfectly well that if their wage rates are to be maintained at the present high levels the farmers must have an increase in income or everyone will suffer. They tell me, as proof that this is true, that Massey-Harris has let out 200 men in Woodstock and Brampton and another 800 in Toronto. That is a total of 1,000 men. If that industry is letting out men surely other industries will begin letting them out before too long, because Massey-Harris is only one of many important industries.

Up to now the general public has not felt the pinch. The farmers are the only group who have not enjoyed the economic boom in this country. I realize that before the minister gets through he will endeavour to tell us how well off they are. He has been telling the farmers that for two or three years, but the fact remains that agricultural income has dropped continuously over the last three years despite what figures the minister may put on the record. It is not good for the farmer or for anyone else, because so many people depend on the farmer. I should like to read an item which appears in an article printed by *Free-Market Farming,* written by W. M. Curtiss:

> The political approach to the solution of farm problems is a proven failure. The way to improve farm income and farm prices is to reduce, not increase, government interference in the pricing and production of farm commodities.
>
> For nearly 30 years, we have tried political schemes of all sorts to solve the farm problem. It is time to try a plan that we know will work—one that has been time tested over nearly a century and a half—a free market for agricultural products.

I know you cannot boost up agriculture with subsidies and then declare it a free market, but the fact remains that as soon as any political group starts interfering with trade they get into trouble. Take the cheese industry for instance. The government tried to market surplus cheese and what happened? The government was not able to do anything. The cheese producer went to work and sold his own products. I do not have the press clipping here, but I read that recently the minister advised the cheese producer to cultivate the home market and not bother with England because it would lower the price of cheese. I thought that was poor advice coming from the minister, because when the government had a chance to sell surplus cheese for Canada the price kept going down until the government could do nothing with it. The cheese producer took over and did a splendid job.

As soon as the cheese producer took over the government brought in six million pounds

of cheese by way of imports. I do not know for what reason the government did this, unless it was an attempt to discourage the cheese producer altogether. My advice is to leave the cheese producer and the farmer alone and not interfere in any shape, manner or form. They would do better themselves and through the years they have done just that. The principle of supply and demand will look after farm conditions better than any measure of which I have knowledge.

Let us take the sugar beet industry, for instance. We have two sugar beet factories in Ontario, one in Wallaceburg and one in Chatham. Unless the producers get a certain acreage of sugar beets the factories are threatening to close down. The minister knows as well as I that you cannot grow sugar beets without help. The only chance you have of growing them successfully is to have sufficient help to look after the crop. It is not a case of price at all, and that is not the reason for the decreased acreage. They do not have sufficient labour to look after the crop, and unless a change is made the sugar beet factories will have to close down because they cannot carry on. I think it is a pity that this part of our agricultural set-up should cease to exist.

We have a number of Dutch people coming into this country, entire families of them. In many cases they pool their resources and go into the business of growing sugar beets or some other product. Because the whole family is engaged in the business they can take care of the crops, but ordinary farmers have to depend on hired labour. Hired labour is now so expensive that farmers cannot compete, and the result is that they must get out of the sugar beet business.

Many immigrants come to Canada each year, but they do not stay on the farms for long periods of time. Immigrants came here who were supposed to stay on the farm for at least one year. I tried to tell the Minister of Citizenship and Immigration a few years ago that this part of the law should be changed. Immigrants should be required to stay on the farm for a period ranging from three to five years. We were getting many immigrants who were not farmers at all. They came to Canada because they thought they could put up with farm life for one year in order to earn their freedom. If they had been required to stay on a farm for three or five years they would not have come to Canada at all, and we would not get that type of immigrant. If a clause were put in the Immigration Act even now which required an immigrant to stay on the farm for at least three years these people would know before they came here that they were expected to follow the occupation of farming for at least that period of time.

One really cannot expect a man to stay on a farm and work ten or twelve hours a day when he can receive twice as much money in industry for an eight-hour day. That is what happens; the immigrants stay for a month or two and then go off into industry in order to benefit from the high wages.

We have heard quite a lot about turkeys today, and I do not intend to repeat what has been said. I wish to state that I agree with the hon. member for Elgin, who placed some figures on *Hansard*. I do not intend to repeat the figures he quoted, but I have one or two points to make.

Why should our turkey producers be subjected to a difference in tariff as between Canada and the United States, and why should the government permit United States turkeys to come to Canada at a lower tariff. I cannot understand why the government would stand by and allow this sort of thing to happen. I hope there will be some correction in that regard. When it is taken up with the cabinet I hope the minister will consider giving the turkey men an even break. They do not want any special consideration; they simply want an even break.

We had a resolution concerning the farm loan act before the house a while ago. I do not intend to speak about that act other than to state a few facts in regard to what it has had to do with agriculture. Our difficulty in the past has been that the farmers were not able to get any money because they had to have such gilt-edged security. The clause which has been put in is simply window dressing, to give the farmers the idea that they are going to receive special consideration.

Those who are administering the act should be permitted to be more flexible and generous with those to whom they are lending money. There is no use putting extra clauses in the act. There have been no losses for years under this act. The government could not lose money, because farm values have more than doubled. I hope the administrators of the act will take that fact into consideration when they are lending money to farmers who are trying to get along. Some of these farmers are fairly hard up, but they are not so hard up that they would not be capable of paying back a loan. It is not in operations like these that money is lost; money is seldom lost when loaned on farm land. I hope there will be a little more flexibility in the administration of this act. I do not think I shall say anything more at this time, but I may have something to say on particular items.

Mr. Blackmore: Mr. Chairman, when I spoke earlier today I found I needed more time than I had, and I have not finished saying what I wanted to say to the committee. I was taking the position that it will be impossible to solve the problems of agriculture in Canada at the present time if we consider them from a short-range point of view without having some system of farm storage for grain and other commodities. The storage charges would be paid to the farmer and the storage facilities would be established on the farm. The farmer would take care of the grain or whatever other commodity is placed in farm storage.

In that way we would be able to take surpluses off the market and we would not have to worry about selling them abroad in competition with the highly subsidized United States exports. At the same time we would be building up a superb supply of different varieties of commodities which we in Canada can produce. These supplies would be of inestimable value in any kind of emergency arising from war or from disaster based upon natural occurrences.

I was naming various commodities which could be stored easily for years. I had dealt with sugar and had pointed out that in southern Alberta alone from High River to the border we could build sugar factories and raise and process sufficient sugar beets to provide two and a half times the amount of sugar consumed annually by all the people in Canada. There are three splendid sugar factories in my constituency, producing in the neighbourhood of 25 per cent of the total Canadian consumption. This sugar could be stored all over the Dominion of Canada so it would be available in case of disaster.

I really fail to see how it is that the Canadian people do not sense this danger and this possibility of overcoming the danger. We hear a great deal about civil defence. Surely the first thing we would need if we were in danger would be food supplies readily available all over the land. We would not want to have to ship wheat from Winnipeg to Edmonton in order that people in Edmonton who may be stricken would be able to live. I maintain that we would be treading upon absolutely sound ground if we had a nation-wide system of farm storage for various commodities which we can produce.

I should like to go on to name three or four other commodities which could be stored easily, and then go on to deal with other matters which may have some bearing upon this problem. In this wonderful age in which we live we have learned to dehydrate many of the things we use. The field is almost limitless. As everyone knows, we can dehydrate eggs. Milk has been dehydrated with great success, and milk powder can be stored in any dry place and will remain good for I do not know how long, but I imagine for some time. Nothing could be of greater value in time of disaster than plenty of milk powder. Meats can be dehydrated with great success and preserved for a long period of time. Practically every kind of vegetable can be dehydrated, and practically all fruits can be processed in this way with success. All these things could be stored at not too great an expense.

There is no reason why we could not store hay in drier areas like those to be found in certain parts of British Columbia. Great quantities of hay could be stored at not too great an expense. If disaster struck we would need hay for any of the animals that happened to survive. It would be of great value.

Those who are familiar with the beet sugar industry know that in the manufacture of sugar from beets there is a residue called beet pulp which is of great value as a stock food. This beet pulp can be dried and stored in ordinary sacks and shipped to far places to be preserved for an indefinite period of time. It is one of the most nutritious of stock foods. I see no reason why substantial quantities could not be stored in Canada. I would be surprised if similar products could not be made from other root crops. I think that is enough to say about the possibilities in respect of the storing of foods.

An hon. Member: Hear, hear.

Mr. Blackmore: I know there are always some who will say "Hear, hear" but they would be first to scream in case of disaster. Such people sometimes do not have the intelligence to look beyond the end of their nose.

Now the all-important thing which we are going to have to face is the method of financing. The hon. member for Dufferin-Simcoe spoke about the home market, which he said was the most valuable market for our products. But the home market is no good unless the people in that home market have the dollars with which to buy the commodities that are being offered. Most hon. members, and even the fine hon. member for Dufferin-Simcoe with all his experience in this parliament, fail to go beyond the point where they start talking about this matter of finance. That is leaving the job just where it should be begun. He tells us the things we already know and leaves us bewildered regarding all the rest.

This morning I commended the C.C.F. for the very fine showing they made in fighting for the farmer during this last winter, but,

as I recall it, the C.C.F. said not a single word about what they proposed should be done.

Mr. McCullough (Moose Mountain): Yes, we did.

Mr. Blackmore: I shall leave one of you to say something about it after I have finished. As far as I can recall there was constant complaint against the government for what it had not done. They constantly told how prices should be stabilized and all that kind of thing, once more what everybody in the house and everybody in the country knows.

What they did not say was how the money was going to be obtained to do all this. The only thing the C.C.F. has said, as far as I can recall, is that they can tax the people to get the money. They implied it, although they did not say it. The taxes would begin to fall heavily on the corporations that had been making big profits. I commend the hon. member for Mackenzie for his fine speech, but the only thing he implied was that the big corporations making big profits would be required to share their profits with the government, and from that source we would be able to obtain the funds with which to finance the schemes of the C.C.F.

Mr. Ellis: What is wrong with that?

Mr. Blackmore: That is very good. We are in committee, and hon. members can say all they like right after I have finished. I want to put my case, and I am sure they want to put their case, uninterrupted. If they let me put my case so it will be understood, I shall listen most attentively while they put theirs.

As far as the C.C.F. economic proposals are concerned, I oppose them on every point because I believe their whole concept of running a country is fallacious, and if they were able to put their program into operation they would not be able to get the production, much less the distribution.

Mr. McCullough (Moose Mountain): We are getting it in Saskatchewan.

Mr. Blackmore: Private enterprise is getting it in Saskatchewan. The farmers all over the country, every one of them, constitute private enterprise, and they are simply pouring the wealth out. The same applies to oil or gas developments. You have to have private enterprise come in and do it. If you do not do that you will not get the results. It has been demonstrated beyond a doubt in Alberta. We have invited private enterprise to come in. Then instead of treating it as an enemy whom we wanted to destroy and whom we hated because it made profits, we endeavoured to clear the way and help private enterprise. As a result we have reaped a rich harvest, and we have a grand prospect of further development just as long as we continue to do so.

In Alberta the private enterprise system is producing abundantly. As I have said many times in this house before, the private enterprise system in America has produced so much that we do not know what to do with it. Our problem now is to learn how to distribute the goods. Certainly in order to distribute the goods it would be most illogical for us to destroy the effectiveness of our productive system. That is exactly what we would do if we began to cultivate the C.C.F. ideas of state socialism, or whatever kind of socialism it is they favour.

So I say that although these people have fought vigorously for the farmer, they have never given us one inkling of what could be done to improve his lot even if they were in charge in Ottawa. The same is true of others. The Conservatives have put up an admirable case for the farmer; I have heard a dozen or more excellent speeches this year from the Conservative benches. But, once more, they have never shown us how the matters were to be remedied financially.

The Liberals this year for the first time have given voice to their ideas, and we have had some very good speeches from Liberals. I have no doubt that if the Liberals were on this side of the house and any one of the parties on this side were over there, the Liberals would be very vocal, energetic and insistent, and still never give any idea as to how to do what they proposed could be done. So I think it is important for us to spend a minute or two on the matter of where we are going to get the money.

This morning, as a result of the announcement that it was proposed that grains and other foods should be shipped to NATO and stored in NATO countries, I asked the question, "Where is anybody going to get the money to buy the goods from Canada and other nations and store them in NATO countries?" Is it proposed that a NATO cabinet should be set up and a NATO premier appointed, and that on top of all the murderous taxes we are enduring in all the countries contributing to NATO we shall have another tax imposed with the object of raising money to buy our goods to store them for NATO? I do not think so. I dealt with that matter this morning to some extent.

If we can manage somehow or other to get money that does not have to be borrowed and paid back, and does not have to be taxed from people, then we can conceive, if we have a sufficient amount of production, how we can do these fine things we want to do for

agriculture; for example, store our grain and pay for it. I draw the attention of hon. members to the fact that under the Finance Act of 1914, the Minister of Finance created in 1917, during the first world war, $50 million Canadian dollars. He did not borrow them from anybody; he created them; and with that money he bought $50 million worth of Canadian produce—wheat, horses and other things which Britain needed in the war. He sent those goods to Great Britain at no cost whatsoever to the Canadian people nor to the British people. Britain in due time repaid the loan, in much the same way as lend-lease operated during the last war, by 1927.

All those who are interested will find an account of this in the report of the royal commission on banking and currency for Canada published in 1933, on page 22, paragraph 47. And right good reading it makes. I would commend that reading to all the members of this house who so earnestly are seeking for a way in which to solve our agricultural problems.

If the minister could create money like that, there is no reason why he could not create money and put it into the hands of the consumers to enable them to buy, and so to realize the home market. There is moreover, no reason in the world why he should not create such money and pay part of the price of the goods, so the consumers could buy, say, a $10 article for $8. When one begins to talk along those lines, he is talking sense. He is talking about something that has been done and could be done, and something that is logical.

One may ask, "How much could he go on printing? $50 billion?" No, he could not, because the limit to the amount he could create is the amount of goods there are in the country to absorb it. The limit is the amount of goods and services there are in the country available for purchase.

That is simple enough for people to understand. There is I repeat no reason why he could not create that money and give a discount on the price of the goods so that, say, a $10 article could be bought for $8. By doing that kind of thing he could increase these home markets, he could utilize them and take advantage of them.

The Deputy Chairman: Order. I have listened to the hon. gentleman for perhaps longer than I should without interrupting. I will admit that he is endeavouring to connect his discussion of monetary policy to its effect on agriculture, but I think perhaps the hon. gentleman would be willing to give some weight to the authority I have in my hand, which is entitled, Blackmore's Speaker's Decisions. In it I find several quotations which I think are pertinent to the situation in which we find ourselves at the moment. At page 168 I find the following:

> An hon. member must limit himself to the question. . . . It is not in order to raise a discussion not relevant to the question before the house. . . . An hon. member must confine himself to that which is relevant to the question of debate.

The hon. member will doubtless say to me that matters of money are relevant to the success of agriculture. I would agree with him, but I must also say that matters of money are relevant to every other department of government, whether it be public works, transport, mines and technical surveys or anything else. But there is a responsibility on me somewhere to say that the subject the hon. member is discussing is primarily monetary policy and not primarily agriculture.

I think the hon. member for Lethbridge will agree with me that the time the discussion of monetary policy is pertinent is really only, if at all, on the estimates of the Department of Finance, so he will permit me to request him to come back to the real question before the committee, which is shall we or shall we not vote some $670,000 for the administration of the Department of Agriculture.

Mr. Blackmore: Mr. Chairman, I do not know how I am going to thank you enough for letting people in this house know that there have been Blackmores who knew something. As to there being a responsibility incumbent upon you to call a halt at some point, I confess that readily, and I do not hesitate to tell you that I know of no chairman who has performed in this house who has been fairer and more considerate of everyone concerned than yourself.

In consideration of all these things I shall endeavour to end my remarks talking strictly on agriculture. May I say that all will agree that conditions in agriculture are very, very bad. I am sure too, that every hon. member of the house will agree that something has got to be done about it. Furthermore I am sure every hon. member in the house will agree that in a country as wealthy as Canada in all kinds of food, clothing, shelter, anything you want to name, it will be a disgrace to the country if we do not do something about it.

I raise the question once more to everyone in the house, what is that something and how is it to be financed? I think somewhere some wise man said in literature, "Who can advise may speak".

Mr. Gardiner: Mr. Chairman, the hon. member for Huron made a statement a few moments ago to the effect that we had had

three ministers of agriculture from Saskatchewan in a row. I was not listening to him too carefully—

Mr. Cardiff: I did not say three.

Mr. Gardiner: —and I was not at all sure whether he said there were two from Huron, the last two—

Mr. Cardiff: No.

Mr. Gardiner: —but the last two were from Huron and the third one, of course, was from Lanark originally before he went to the west. One reason one might say that it would be quite natural for a number of them to have come from Huron back to Ottawa is the fact that when I went west first the common saying was, "In what part of Huron and Bruce is Ontario?" Most of the people out there seemed to come from one or the other. Therefore there is nothing unusual about that kind of thing happening.

The suggestion that has been made by quite a number that we should be doing something for agriculture is answered by the fact that in the last 20 years we have spent very considerably more on agriculture than was ever spent in any previous 20 years. As a matter of fact we are and have been for a considerable length of time spending ten times as much as was ever spent by any other government, either Liberal or Conservative.

Mr. Lennard: You have it to spend. That is the reason.

Mr. Gardiner: In view of the fact that we have been spending that much we are at least attempting to do something for agriculture.

Mr. Lennard: Whose money is it?

Mr. Gardiner: It is the money of the people, and some of it is farmers' money.

Mr. Lennard: You would think it was Liberal money.

Mr. Gardiner: No, it is not Liberal money. Neither is it Conservative money. When the Conservatives were in power they did not spend very much on agriculture.

An hon. Member: They did not spend very much on the people, either.

Mr. Gardiner: I have a graph here, and if I have the consent of the committee I should like to have it put on the record. I do not have time to read it. It gives a picture of conditions, and if everyone in the house could see it I would not suggest putting it on the record.

Mr. Rowe: They have all seen it.

Mr. Gardiner: Oh, they have all seen it? If they have all seen it, their speeches do not correspond to the picture.

[Mr. Gardiner.]

Mr. Lennard: You are getting three or four times as much money in taxes today as any government ever got before.

Mr. Gardiner: Down here in the low left corner of the chart is where the farm income was when the Conservatives were in power, and ever since the Liberals have been in power it has gone constantly right up and up to the top right hand corner of the chart.

Mr. Robinson (Bruce): Mr. Chairman—

Mr. Lennard: You have taxed the people to get the money to spend.

Mr. Gardiner: Of course we have taxed the people to get it.

Mr. Lennard: You are taking more in taxes than any government ever did before.

Mr. Gardiner: When my hon. friends were in power they had the people in such a condition that they could not get any taxes or anything else out of them. There just was no money left after paying their costs to take from them.

Mrs. Fairclough: After the Liberals.

Mr. Lennard: After the Liberals in 1929.

Mr. Gardiner: Agriculture in this country is not—

Mr. Knowles: Mr. Chairman, it is five o'clock.

The Deputy Chairman: I think the hon. member for Bruce wanted to ask a question.

Mr. Gardiner: Everybody has been trying to get to five o'clock. We are there now and we will have the question some other day.

Progress reported.

PRIVATE BILLS

The Acting Speaker (Mr. Applewhaite): There are a few divorce bills on the order paper for second reading. Is it agreed that the second readings be taken in one motion?

Mr. Philpott: May we have the exact numbers of the bills?

The Acting Speaker (Mr. Applewhaite): Orders Nos. 46 to 50, Bills Nos. 293 to 297 inclusive.

SECOND READINGS—SENATE BILLS

Bill No. 293, for the relief of Edith May Robertson Thompson.—Mr. Henderson.

Bill No. 294, for the relief of Hans Christian Anderson.—Mr. Henderson.

Bill No. 295, for the relief of Raffaele Polissena.—Mr. Henderson.

Bill No. 296, for the relief of Hilda Evelyn Charlton Carlson.—Mr. Henderson.

Bill No. 297, for the relief of Dorothy Pilkington Wilson.—Mr. Henderson.

INDUSTRIAL RELATIONS

PROVISION OF ANNUAL HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 211, to provide for annual holidays with pay for employees.

He said: The idea or proposal contained in this bill is not a new one to be suggested on the floor of parliament. However, I think it may be breaking new ground in that, so far as I know, it is the first time an actual bill has been presented to parliament proposing, as this bill does, that by statute all workers in Canada who come under federal labour jurisdiction be given two weeks' holidays per year with pay after one year of employment with their employer.

Hon. members will realize that it is not many decades ago when holidays with pay, particularly for wage earners or industrial workers, were very unusual. I am sure many of us in this chamber have memories—if they are not memories of our own personal experience they are memories of those who have gone before us—of industrial workers or wage earners who never knew during their working lives what it was to have a vacation with pay. True, there were vacations which industrial workers in bygone decades had, but they were vacations due either to illness or to unemployment, and on such occasions there was no remuneration of any kind.

Mr. Speaker, one of the marks of progress of our society is that we have come to recognize, to some extent at least, that all who toil should be entitled to a period of vacation; and it is not a vacation worthy of the name unless one's pay or wage continues during that period. The right to vacations with pay is something for which the trade union movement has fought hard for a great many years. It has carried on that fight at the level of collective bargaining, and many collective agreements in force now between employees and their employers contains provisions for vacations with pay.

These provisions, of course, vary considerably. In some cases the employee gets a vacation with pay after not too long a period of service. In other cases the period of service has to be much longer. The length of the vacation with pay that is provided varies from agreement to agreement. But at any rate, it is fair to say that thanks to the efforts and the struggle of the trade union movement, many workers today do enjoy vacations with pay under their collective agreements.

However, with respect to this issue, as with respect to all issues affecting the position of wage earners and industrial workers generally, it has been the feeling and the experience of the trade union movement that a battle of this kind has to be fought on the legislative front as well as at the collective bargaining table. Organized labour, therefore, has sought legislation so that all employees might get at least a certain measure of this right, namely vacations with pay. As a result of these efforts in the legislative field progress has been made in a number of the provinces in this country.

At this point I might remind hon. members that when we are dealing with labour relations in Canada we are dealing with a matter that is under two jurisdictions. There are many employees, indeed most of the industrial workers of this country, who come under provincial jurisdiction. But there are also a large number of workers whose labour relations are under federal labour jurisdiction. Naturally the bill I propose, since it seeks the enactment by this parliament of a federal law, relates only to those who come under federal labour jurisdiction, but I think it is important both as a matter of history and as a basis for my argument that the house should know what progress has been made in the winning of this kind of legislation, and also that the house should know the number of provinces that provide for vacations with pay.

As I say, a number of them have such legislation. I mention first of all, six out of the 10 provinces. These six, if I may name them in geographical order, are Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. There is one other province that has some legislation in this field, and I shall mention it in a moment. The reason I shall mention it separately will be obvious.

First of all may I say with respect to those six provinces on the statute books of which there is legislation compelling employers to grant vacations with pay to their employees, in the case of two of them, namely British Columbia and Saskatchewan, the legislation requires that the vacations with pay be two weeks after one year of service. With respect to the other four provinces, Quebec, Ontario, Manitoba and Alberta, the requirement is just one week's vacation with pay after one year's service. I should add that in Alberta the law requires that employees be given two weeks vacation with pay after two years of service. I should also add that in Manitoba the legislation requires that the workers be given two

weeks' vacation with pay after three years' service. There are other details that one could spell out, but I think that is sufficient to indicate that some progress is being made in this important and desirable field so far as the wage earners of this country are concerned.

I said that in addition to the six provinces I have named, all of which have vacations with pay legislation which is general in its application in that it applies to all employees in those provinces, it is also to be noted that a seventh province, namely New Brunswick, has a limited provision which gives one week's vacation with pay after one year's employment to those engaged in mining or in construction. It could be that in recent months some changes have been made in some of those provinces, or that other provinces have joined this group; but so far as I can ascertain my information is up to date. Indeed, those who come from British Columbia will recognize that I have included in my information the fact that although British Columbia until recently provided only one week's vacation with pay after one year's service, that province, along with Saskatchewan, now provides by statute two weeks' holidays with pay after one year's service.

Now, Mr. Speaker, this bill obviously seeks to provide under federal law the best of the provisions that already obtain so far as a number of provinces are concerned. This bill, in other words, is somewhat like unto the legislation in the two provinces where they have the best legislation in this field, namely British Columbia and Saskatchewan. I say to any who may study the details of this bill that it is patterned, for the most part, after the legislation in Saskatchewan, although I did take one or two sections out of the new British Columbia bill which it seemed to me it was desirable to include in my proposed bill.

In drafting the bill I drew on the legislation in the two provinces to which I have referred for the general provisions as to vacations with pay. I also drew on certain federal statutes in order to put the bill in proper form. For example, with regard to what employees this legislation might cover, I copied exactly the appropriate section in the legislation known as the Canada Fair Employment Practices Act. That is the section which indicates what employees would be covered, and again it reflects the provisions in this regard which are set out in the British North America Act.

That pretty well indicates what this bill proposes, Mr. Speaker. It proposes that all those employees, all workers, industrial workers, wage earners and others in Canada, who come under federal labour jurisdiction should now have at least two weeks' vacation with pay each year. It proposes that this should come into effect after one years' employment. There is a provision in the bill to make it clear that this bill supersedes any custom or collective agreement or arrangement that gives to any employees anything less than two weeks' vacation with pay after one year. It also makes it clear that it does not interfere with any custom or collective agreement or other arrangement which gives to any employees anything better than is in this bill.

There is also a provision for prorating the period of vacation with pay that might be given to an employee if he is with an employer for more than one month but for any period less than one year.

Now, Mr. Speaker, other than referring to those details, I do not think I should say too much about the further details of the bill, for two reasons. One, of course, is a very good one in your eyes, namely that on second reading one is not supposed to refer to the sections of a bill. The other is equally good, namely that—I think incidentally this perhaps underlines the reason for that rule—what we are concerned about on second reading is the principle. I invite hon. members to give their attention not so much to the particular details as to how one goes about administering or working out vacations with pay, but rather to the principle that all employees in Canada who come under federal labour jurisdiction should have this right as part of what goes with living in Canada at the present time.

I would point out, sir, since you might be interested in the point, that in my bill I have stayed away from provisions that obtain in some of the provinces such as Manitoba, which involve the government in the selling of stamps, or in any other administrative features that could involve expense. Obviously there is a good reason why I stayed away from those provisions, in order that it would be the kind of bill that a private member might introduce; but even apart from that, I think it is better to have it this way. If the Minister of Labour and his department have studied the bill, as I am sure they have, I hope they may agree with me that it would be better to have it on as simple a basis as possible.

There are in the bill certain provisions for enforcement which involve the minister; but, as I say, the details could be left for further study. My hope is that in this year of 1956 it will not be too hard to persuade the House of Commons of Canada that the workers of Canada should have two weeks' vacation with pay a year, and that the House of Commons

of Canada will therefore approve second reading of this bill; whereupon I, of course, would move not that it go to the committee of the whole right away but rather that it go to the standing committee on industrial relations so that it might be studied very thoroughly in that committee. In the course of that study I would be most happy to accept suggestions from the Minister of Labour, or from anyone else, as to changes in the details. In fact the administrative set-up could be altered considerably and I would not be concerned. My concern, and I think that is obvious, is with the general principle that we should now make it statutory that all employees of Canada under federal labour jurisdiction should have two weeks' vacation with pay.

Nevertheless, Mr. Speaker, in spite of my insistence that what we are dealing with now is the principle, I felt it was incumbent upon me in presenting the bill to the house not to leave the administrative aspect of it in blank form, but rather to show, as I have done in the sections that are in the bill, that such a provision can be worked out and put in practicable form.

As I indicated earlier, Mr. Speaker, organized labour has for years fought hard for this provision. It has carried on that fight at the level of collective bargaining; it has also insisted that gains won at the collective bargaining table should be written into the various statutes of the country. In addition to the fact that the demand for legislation providing for two weeks' vacation with pay after one year was in the platforms of principles of both the former labour congresses of this country, I would point out that it was included in the major 29-point platform of principles which was adopted at the recent founding convention of the Canadian Labour Congress which was held in Toronto during the last week in April. Therefore, Mr. Speaker, what I present to the house at this time is directly in line with the request with this new million-member labour congress, namely national legislation providing for a minimum of two weeks' vacation with pay.

I feel, too Mr. Speaker, that in this matter, as in other matters, the federal parliament of Canada should be giving a lead to the country.

I confess that it is a bit disappointing and a bit frustrating to have to make that plea and feel that so often as far as hon. members opposite are concerned, at least those on the treasury benches, it falls on deaf ears; yet how often we have to do that, particularly in the labour field and in the field of social security, pensions, provision for superannuated civil servants and so on. Every time we argue that the federal government should be a good employer and should be giving a lead, those on the treasury benches sit back as though it was simply their job to follow, as though it were perfectly all right for them to come along with legislation of this kind only when everyone else has it.

I point out, Mr. Speaker, that already some vacations with pay legislation is on the statute books of six—yes, seven—of the provinces of this country. I use the figure seven, including New Brunswick. All these seven provinces have vacations with pay legislation to the extent I outlined a moment ago. I recognize that in the case of only two provinces, Saskatchewan and British Columbia, is that legislation like unto my bill, namely two weeks' after one year. But something is being done in seven out of our ten provinces. I hope we can persuade this House of Commons and the federal government that it is time a lead in this matter was given here.

I know that one of the arguments which will be used—oh, how often we hear it in relation to labour matters—is to leave it to collective bargaining. Well, Mr. Speaker, that is an argument I could go into at length, but I content myself with saying that if the trade union movement thought there was any merit to that argument they would not be bothering with these constant resolutions and platforms of principles calling on legislatures and the parliament of Canada to deal with these matters.

Indeed, if one takes the trouble to look through the 29 points that are in the platform of principles adopted by the Canadian Labour Congress one will find that most of them call for legislation by the federal parliament. One will also find that a great many of these points have been proposed from this corner of the house, in speeches or resolutions or bills such as the one I am presenting at this time.

I earnestly hope that if what I said at the beginning is true, that this is breaking new ground in that it might well be the first time a bill on this subject has been introduced, it will not mean it will have to be shelved for a year or two or five or ten or twenty, as things go around here. Progress has been made in the thinking of people across the years. Progress has been made from the days when an industrial worker worked the whole of his life without ever enjoying a holiday with pay, without ever getting a holiday unless it was due to illness or unemployment. We are proud of the progress that has been made socially in Canada. We are proud of the progress that has been achieved because labour fought persistently for a better deal for the workers of Canada, both organized and unorganized. Indeed, that is one of the reasons that labour advocates

legislation in this field; so that the provisions that are won for some by collective bargaining might be won for others, even those outside the ranks of organized labour.

It is an extremely important matter, Mr. Speaker. It is an extremely important item of social progress. No one, not a single hon. member of this house, would stand up and say that industrial employees should not have a vacation with pay every year. Everyone will agree that every employee should have a vacation with pay each year. All right, Mr. Speaker; that being the case, let us say so by supporting the principle of this bill, by voting for it unanimously on second reading and letting it go to the committee on industrial relations for study, whence it can come back to this house to be passed.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I would like to say at the outset without any equivocation that it is my intention to support this bill. In the remarks which were made by the hon. member for Winnipeg North Centre on second reading, he made one rather gross oversight, in my estimation, and I am sure he realizes I could not let this pass without commenting upon it; the oversight being a lack of recognition of the fact that the first vacations with pay legislation not only in Canada but on the North American continent was brought in by Hon. George Drew as premier of Ontario in 1944.

Mr. Macdonnell: You should not have overlooked that.

Mr. Knowles: I certainly did mention that Ontario had legislation in this field.

Mrs. Fairclough: Oh, but just in passing. That legislation not only included a provision for vacations with pay but also a provision with regard to hours of work. It is interesting to note the speed with which we have progressed within the last decade, because at that time the reduction of working hours to 48 per week was considered to be a tremendous step forward and was greeted in many quarters with opposition. To introduce legislation today restricting hours of work to 48 hours per week would, I think all hon. members will agree, be greeted with derision from most quarters.

It was in 1936, if my memory serves me well, that the I.L.O. adopted its convention on vacations with pay, and in the meantime a great many countries, whether or not they have implemented the convention, have given it recognition.

In reading the bill which is proposed by the hon. member for Winnipeg North Centre I was amused to notice the clause which dealt with notice of the holiday period, not because of the clause itself but because of an amusing story I read quite some time ago. The story concerns a commercial traveller who found himself snowbound in a remote area. He telephoned his employer and asked him for instructions. The employer, who was noted for the tenacity with which he hung on to every dollar, said, "Yes, I have some instructions—start your summer holidays at once." I am sure it is the possibility of such an occurrence which prompted the hon. member to include in his bill the provision which requires at least two weeks' notice of the holiday period.

I must, however, differ with the hon. member when it comes to his comments with regard to the use of stamps or some other such method of determining holiday pay. It has been my opinion that the holiday book and stamp system has worked very well in the province of Ontario. From my perusal of this bill I take it that the employee, upon the termination of his employment with any one employer, would receive at that time the equivalent of the proportion of holiday pay which might be coming to him because of the period of his service.

The situation is a little different in Ontario. The holiday books are purchased and the employer places therein stamps, for which he pays, covering the amount of money owed to the employee on the basis of the vacation. This has the effect that if an employee in the course of a year serves a great many employers—if he is in the type of business, notably the construction business, where he might work for several employers—he might, by keeping this book and having inserted therein the stamps which signify the amount of holiday pay coming to him, accumulate a full holiday pay which he may then procure by turning his book in to any of the banks in the province of Ontario. I do not think this is a very important point, but inasmuch as the hon. member said that he differed with that method of determining the amount due I must say that I agree with the system which has been set up because I know from practical experience the manner in which it has worked.

I must agree with him that the virtue in the legislation is that it covers all workers, whether or not they are members of unions or negotiating groups. The main argument against leaving arrangements of this sort to negotiating bodies is that those workers who are not unionized are left out and do not enjoy the privileges which may be extended to those who belong to unions.

I think we all agree that everyone deserves a holiday after working a year, though probably a good many of us in this house have not had as many as we should have had in

the years we have been here. Working conditions improve as the years go by and they improve because of the interest not only of labour organizations, which deserve a large share of the credit, but of legislators who interest themselves in the conditions under which the people of this country labour.

For all these reasons I propose to support this bill. I know that my support will be echoed by my leader, who is unavoidably absent at this time. I know that if he were here he would have some remarks to make on this legislation, because it would bring back to his mind the period when he was premier of Ontario and so keenly interested in the plight of the workers in his province, and the extent to which he promoted progressive labour legislation in that province.

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I have read this bill with great interest, and again it indicates the well known diligence of the hon. member for Winnipeg North Centre. He stated in his remarks that he believed this was the first round in so far as the federal ring is concerned, and I think that is true.

Both he and the hon. member for Hamilton West referred to the fact that in the earlier part of this century vacations with pay were a matter which did not receive anything like the consideration and interest which has developed since the end of the last great war. Certainly there were vacations, but too often they were vacations without pay or without any sign of employment to call a halt to the vacation. It was those long series of forced unpaid vacations which led the federal government to request that the British North America Act be amended in order that there might be something in the way of a backlog during these unpaid vacations which would offset the hardship imposed.

I do not think anyone will disagree with the principle that all who toil hard and consistently are entitled to vacations, and that if conditions warrant those vacations should be paid for. At the same time I think all of us should realize that paid vacations must be related to many other factors which enter into arrangements between employer and employee. For instance, there is the number of statutory holidays to be allowed and the number to be paid for, there is the length of the working week and how many days in the week are to be paid for, there is the amount of overtime to be worked and the payment for same, and half a dozen other factors that could be listed.

As I said, Bill No. 211 brings before the house for the first time some interesting questions for debate. I hope the debate will be full because I am sure it will be profitable. The bill proposes that all employees in Canada who come under federal labour jurisdiction shall be granted at least two weeks' holidays with pay after one full year of employment.

For a number of years before the last war we had legislation providing for the settlement of disputes in industries under federal jurisdiction, and since 1948 we have had the Industrial Relations and Disputes Investigation Act which replaced the former legislation. That act covered the regulation of some collective bargaining aspects of labour relations as well as dealing with the all-important matter of providing the means or technique for the settlement of labour disputes.

Since I became Minister of Labour in 1953 we have brought in two additional measures. One was the Canada Fair Employment Practices Act, which prohibits discrimination in employment because of race, colour, national origin, religion or creed. At this session there is to be introduced legislation to provide equal pay for female employees as compared with male employees. But I think Bill No. 211 differs from those two measures in that it proposes to set a specific minimum standard in respect to one aspect of working conditions, namely annual vacations with pay. That fact makes it somewhat different from the legislation I have mentioned.

Federal industries are of course those works, businesses and undertakings which come under federal jurisdiction, and in spelling these out in the act my hon. friend has very kindly used the language of the Canada Fair Employment Practices Act.

Mr. Knowles: If you will just take the rest of the bill as well that will be fine.

Mr. Gregg: The validity of the Industrial Relations and Disputes Investigation Act, which is applicable to the federal industries listed in the bill, came before the Supreme Court of Canada only last year and was upheld in a judgment given on June 28, 1955. Perhaps I should run over the industries listed in order to make the record complete. They include transportation and communications, including railways, shipping and stevedoring; air transport; international trucking and bus lines; telegraphs; telephones in Ontario, Quebec and British Columbia; broadcasting; terminal elevators and the processing of western grain; banks, and grain companies.

The total number of employees in these industries is just under 400,000, which is not a large proportion of the roughly 5,000,000 paid workers we have in Canada. As federal Minister of Labour I recall that figure from time to time with a great deal of satisfaction, because within 400,000 workers there cannot be nearly as many labour disputes as might be involved in the several million workers.

Employees in those industries, taking them as a whole, are much more highly organized than employees generally, and about 70 per cent of them have their conditions of employment set already by collective agreements, as compared with 39 per cent for all the other industries in Canada, which come under the provincial jurisdiction. If, then, parliament should indicate a specific minimum standard in respect of a matter such as annual vacations, it will be passing a law on a subject which is normally dealt with by collective bargaining for a large proportion of the employees affected.

In spite of the comment by my hon. friend from Winnipeg North Centre on that factor being brought up from time to time, nevertheless I believe it is an important factor for any federal minister of labour in approaching a measure such as this.

Legislative standards on matters normally dealt with by collective bargaining may sometimes be necessary, usually as a means of ensuring that unorganized workers are not deprived of all the protection they should have. I am sure in the great industrial province of Ontario that was certainly one of the factors responsible for the legislation in 1944. But I am sure that as members of the federal parliament we would want to move with a certain caution, particularly when a large proportion of the employees under federal jurisdiction have established these standards by the process of collective bargaining.

In the present instance the question arises as to how adequately the employees affected are already assured of paid vacations after one year's full work. A recent estimate of the number of workers under federal jurisdiction was, as I said, just under 400,000, of whom 47 per cent now meet the standard sought to be established by this bill. An additional 2 per cent qualify for two weeks' vacation after two years' service, an additional 44 per cent after three years' service, and an additional 1 per cent after five or more years' service.

Therefore less than 1 per cent of employees under federal jurisdiction are known not to receive two weeks' vacation at any time, while for the remaining 6 per cent, for the most part in the stevedoring industry, the information available is not sufficient to determine the length of their annual vacations.

Mr. Speaker, I have done some homework putting this out in chart form, and I should be very glad to give it to the house. The chart is headed "Estimated distribution of employees under federal jurisdiction according to service required for two weeks' vacation with pay". The subheadings across the top are, first, "Industry", giving the industries under federal jurisdiction; next "Coverage", giving the total number covered; then "Service requirement for two weeks' vacation", with subcolumns for one year, two years, three years, five years and more than five years. The next column is headed "Do not get two weeks' vacation"; the final column is headed "No information". Under each heading there are two columns, one giving the number and the other the percentage. I can give a few of the headings to the house now if hon. members would like to have them.

For the steam railways, including telegraph operations, the total number is 196,800. The number with one year's service is 44,900 or 22·8 per cent. There is nothing listed for two years' service. The number for three years is 151,900, and that is 77·2 per cent. There are none for five years or more than five years.

For shipping, including stevedoring, the total is 34,200. With one year's service, 12,200 or 35·7 per cent; with two years' service, 1,400 or 4·1 per cent; with three years, 1,500 or 4·4 per cent; with five years, 1,600 or 4·7 per cent. These are the first ones who do not get two weeks' vacation of any kind, and there is a total there of only 600. Included in this group are a large number of whom we have no specific information, the number being 16,900.

Of those who work in air transport, there are a total covered by agreements of 10,700. After one year there are 10,700, or 100 per cent.

In motor and all other transport industries, there are 10,900. After one year there are 2,800 or 25·7 per cent; after two years, 3,000 or 27·5 per cent; after three years, 4,300 or 39·5 per cent; after five years, 800 or 7·3 per cent.

In terminal elevators, the total under agreement is 3,200, of whom 2,500 are after one year, or 78 per cent; and 200 after three years or 6 per cent.

In manufacturing, that is under federal jurisdiction only, there are covered 17,500. After one year, 2,600 or 14·9 per cent; two years, 3,300 or 18·9 per cent; three years, 6,900 or 39·4 per cent.

In Canadian National hotels there is a total of 2,600; and after three years all of them are in the one group.

In the banks there are 48,200, all after one year's service.

In government enterprises not included in preceding classifications there are 6,800, all after one year's service.

Mr. Speaker, I should like to put this schedule on *Hansard*, if I may.

Mr. Speaker: Has the hon. gentleman consent to place the schedule on *Hansard*?

Some hon. Members: Agreed.

Mr. Gregg: The schedule is as follows:

ESTIMATED DISTRIBUTION OF EMPLOYEES UNDER FEDERAL JURISDICTION ACCORDING TO SERVICE REQUIRED FOR TWO WEEKS VACATION WITH PAY

Industry	Coverage[1]		Service requirement for 2 weeks vacation										Do not get 2 weeks vacation		No information	
			1 year		2 years		3 years		5 years		More than 5 years					
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Steam railways (including telegraph operations)	196,800	100·0	44,900	22·8	.....	.....	151,900	77·2								
Shipping (including stevedoring)	34,200	100·0	12,200	35·7	1,400	4·1	1,500	4·4	1,600	4·7	.....	.....	600	1·7	16,900	49·4
Air transport	10,700	100·0	10,700	100·0												
Motor and all other transport	10,900	100·0	2,800	25·7	3,000	27·5	4,300	39·5	800	7·3						
Telephones	39,700	100·0	39,300	99·0	400	1·0										
Radio and television	6,700	100·0	6,300	94·0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	6·0
Terminal elevators	3,200[2]	100·0	2,500	78·1	.....	.....	200	6·3	.....	.....	400	12·5	100	3·1		
Mining	3,800	100·0	1,700	44·7	500	13·2	.....	.....	.....	.....	1,600	42·1				
Manufacturing	17,500	100·0	2,600	14·9	3,300	18·9	6,900	39·4	.....	.....	.....	.....	300	1·7	4,400	25·1
C.N.R. hotels	2,600	100·0	.....	.....	.....	.....	2,600	100·0								
Banks (including Bank of Canada)	48,200	100·0	48,200	100·0												
Government enterprises not included in preceding classifications	6,800	100·0	6,800	100·0												
TOTALS	381,100	100·0	178,000	46·7	8,600	2·3	167,400	43·9	2,400	0·6	2,000	0·5	1,000	0·3	21,700	5·7

[1] Coverage figures apply in general to 1954.

[2] Number under collective agreement; total figure for employment would be somewhat higher.

Industrial Relations

Mr. Knowles: I wonder if I may ask a question at this time. We have been dealing simply with the federal field, but does the minister happen to have, to complete the picture, corresponding information about those who come under provincial jurisdiction?

Mr. Gregg: I have not that in hand at the moment, but I did have before me, when working on this, some information coming forward from our research branch. I shall undertake to bring what might appear to be useful when this bill comes before the house again. The statistical estimates which I have just placed on record make it clear that about half the employees now under federal jurisdiction already obtain paid vacation leave which meets the standard proposed by this bill, and that over 90 per cent qualify for two weeks' vacation after three years' or less service.

On the other hand, looking at vacation provisions in the Canadian manufacturing industry, we find—and this will partly answer my hon. friend's question—that whilst 92 per cent of the plant employees eventually qualify for two weeks' vacation, only 15 per cent of such employees qualify after one year's service; a further 11 per cent after two years; 27 per cent after three years; 35 per cent after five years; and 4 per cent after other periods of service with their employers.

I have that part of the information desired by my hon. friend, but I wish to point out that covers only the manufacturing industry. Mr. Speaker, if I have permission, I should like to place this on *Hansard*.

Mr. Speaker: Has the hon. gentleman consent to place this on *Hansard*?

Some hon. Members: Agreed.

Mr. Gregg: The table is as follows:

PERCENTAGE OF PLANT EMPLOYEES IN CANADIAN MANUFACTURING ELIGIBLE FOR TWO WEEK VACATION WITH PAY

	Oct. 1 1949	Oct. 1 1950	Oct. 1 1951	April 1 1953	April 1 1954	April 1 1955
Eligible for two weeks with pay	81·0	84·9	89·2	92·6	92·0	92·4
After: 1 year or less	10·2	12·3	14·2	14·9	15·5	15·6
2 years	6·6	8·3	9·3	9·6	10·3	11·4
3 years	6·4	11·5	16·2	22·5	25·5	27·0
5 years	54·8	48·6	46·2	40·4	35·2	34·7
Other	3·0	4·2	3·3	5·2	5·5	3·7

There seems to be no doubt that in the last ten years there has been a steady trend toward longer vacations after shorter periods of service in industry generally, and particularly in the federal industries. As a matter of fact this very item is a most important one in the agreements that are being reviewed in Montreal this very day. I think we must consider this trend in determining whether there is any real need for federal legislation on this matter. It seems to me also that there are other implications to be considered in setting specific standards for working conditions in our federal industries.

Where working conditions for a large proportion of employees in any jurisdiction, are already established by collective bargaining, it could very well be that standardization through legislation is not desirable. When working conditions are left to collective bargaining there is the ability to inject into them a flexibility in determining standards which is lacking when any government introduces minimum standards. In some instances an increase in wages or salaries or an improvement in some one or more fringe benefits may be more acceptable to the employees than a longer paid vacation leave. I am sure one can let his imagination run and realize how that could happen. I should like to emphasize also that it is not only the length of the paid vacation that such legislation would standardize but a number of other important conditions relating to it.

If a vacation pay law is to deal clearly with the ancillary matters which frequently arise in the administration of a vacation plan, it would have to cover such factors as (1) length of service required to qualify for

vacation privileges; (2) the effect of interruptions of service on such privileges; (3) the methods of determining vacation pay, for example, a percentage or proportion of normal weekly earnings or average weekly earnings; (4) the time when the vacation is to be taken; (5) whether or not vacations are to be termed an accrued monetary right so that an employee who terminates his employment before taking his vacation is to receive pay in lieu of such vacation. One could go on and name others which are not as important as those I have named.

The bill before the house deals with some of these points, and there are probably others that would need to be taken care of by legislation. Legislation means standardizing practice in all these particulars as well as the length of the vacation, and the arbitrary rules that would have to be set in the legislation might not be as acceptable to the employees concerned as the freely negotiated rules they have worked out with their employers by collective bargaining. This would be particularly true in industries such as shipping and longshoring, where vacation benefit arrangements peculiar to the conditions in those industries are now in effect and are only in effect after a great deal of study and arrangement between the two parties concerned.

Another point I wish to make is the difficulty of arriving at a minimum standard if one is to be set. As I have already indicated, there is considerable variation in the federal jurisdiction both in the practice that has been established in industries where collective agreements govern conditions of employment and in others where vacations with pay plans are part of the personnel policy of the employer.

I have here a summary of what is happening in the various provinces of Canada. That has been summarized by both hon. members who have preceded me. I think I have one or two slight variations from what was set out by the hon. member for Winnipeg North Centre, and if I were to put what I have on *Hansard* perhaps it would be a matter of controversy. Therefore I shall take the opportunity to read his speech in *Hansard* to see where we disagree before I start anything approaching a battle.

Mr. Knowles: May I suggest to the Minister of Labour that he be very careful in arguing with my information, because most of it I obtained from a document put out by his colleague the Minister of Trade and Commerce.

Mr. Gregg: Then I will say that I did not quite catch one point only with respect to which there appeared to be a disagreement in small detail with the information I have obtained from exactly the same source.

This is my summary of the provincial programs as they stand now. Two weeks after one year of employment is a standard at present in effect in only one province.

Mr. Knowles: Which one?

Mr. Gregg: The province of British Columbia.

Mr. Knowles: Saskatchewan has had it for several years.

Mr. Sinclair: You are misinformed again, Stanley.

Mr. Gregg: That is the only point on which the statements disagree, and I want to look up the source before pressing my point. It is also clear that one week after one year of employment is the prevailing minimum standard set by provincial legislation, especially considering that it is the minimum standard set in Ontario and Quebec, the provinces in which the bulk of industrial workers are employed.

On motion of Mr. Gregg the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Green: Could we have the business for Monday?

Mr. St. Laurent (Quebec East): It is our intention to have called on Monday the resolution concerning the pipe line, No. 16 on today's order paper.

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

Questions

ANSWERS TO QUESTIONS

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

INDIAN AFFAIRS—TREATY NO. 6

Question No. 440—**Mr. Campbell:**

1. What is the total number of Indians now covered by treaty No. 6, and where are the locations of their various bands?

2. What benefits and privileges are now available for the Indians governed by this treaty?

Answer by: **Hon. J. W. Pickersgill (Minister of Citizenship and Immigration):**

1. Total number of Indians in treaty 6—14,043.

Agency	Band	Location
Alberta		
Edmonton	Alexander	Near Rivière qui Barre
	Alexis	Near Lac Ste. Anne
	Beaver lake	Near Lac la Biche
	Enoch (Stony Plain)	Near Edmonton
	Heart lake (Chipewyan)	Near Lac la Biche
	Michel	Near Calahoo
	Paul (Wabamun)	Near Wabamun
Hobbema	Ermineskin	Near Hobbema
	Louis Bull	Near Hobbema
	Montana	Near Hobbema
	Samson	Near Hobbema
Saddle Lake	Cold lake (Chipewyan)	Near Le Goff
	Frog lake	Near Frog lake
	Keeheewin	Near St. Paul
	Saddle lake	Near St. Paul
Stony-Sarcee	John O'Chiese	Near Rocky Mountain House
	Sunchild Cree	Near Rocky Mountain House
Battleford	Little Pine	Near Rossman
	Luckyman	Near Rossman
	Moosomin	Near Cochin
	Mosquito-Grizzly Bear's Head	Near Red Pheasant
	Saulteaux	Near Cochin
	Sweetgrass	Near Sweetgrass
	Thunderchild	Near Turtleford
	Poundmaker	Near Rossman
	Red Pheasant	Near Red Pheasant
Saskatchewan		
Carlton	Montreal lake (Wm. Charles)	Near Montreal lake
	Sturgeon lake (Wm. Twatts)	Near Foxdale
Duck lake	Beardy's and Okemasis	Near Duck lake
	Big river (Kinematayo)	Near Shell river
	James Smith	Near Kinistino
	John Smith	Near Davis
	Mistawasis	Near Leask
	Muskeg lake (Petequakey's)	Near Leask
	One Arrow	Near Duck lake
	Pelican Lake (Chitek)	Near Chitek
	Sandy lake (Ahtahkakoops)	Near Mont Nebo
	Witchekan lake	Near Idylwild
Meadow lake	Canoe lake	At Canoe lake
	Island lake (Ministickwan)	Near Loon lake
	Joseph Bighead	Near Pierceland
	Meadow lake	Near Meadow lake
	Onion lake	Near Onion lake
	Waterhen lake	At Waterhen lake
Touchwood	Kinistino	Near Chagoness

2. The following benefits and privileges are now available for the Indians governed by treaty No. 6:

(a) The use of reserve land set apart for the Indians.

(b) Schools.

(c) Hunting and fishing for food on reserves and unoccupied crown lands to which Indians have right of access subject to federal laws and regulations.

(d) An annuity of $5 a year to each Indian.

(e) An annual salary of $25 to each chief and $15 to each subordinate officer (councillor).

(f) A suitable suit of clothes every three years to each chief and subordinate officer (councillor).

(g) Ammunition, nets and twine in the amount stipulated.

In addition to the benefits and privileges accruing to the Indians under the terms of the treaty, the Indians are eligible to receive benefits under social legislation, such as, the Family Allowances Act, Old Age Security Act, Old Age Assistance Act, Blind Persons Act, Disabled Persons Act, Veterans' Land Act, and other legislation respecting veterans for which they qualify. Assistance in housing construction and repairs is provided for the aged and the destitute on the basis of need, and relief and special welfare assistance is also provided when necessary. Seed is distributed, livestock improved, and related assistance given where necessary to help the Indians become established in agriculture.

Questions

The Indians may apply for revolving fund loans for the purposes provided by section 69 of the Indian Act. In accordance with the provisions of the Indian Act, the Indians are exempt from taxation on real and personal property situated on a reserve, and their real and personal property on the reserve is not subject to seizure.

RADIO RECEIVING SETS

Question No. 451—**Mr. Brown (Essex West):**

1. How many radio receiving sets are there in Canada at the present time, by provinces?
2. How many radio receiving sets were in Canada in the years 1941 and 1951?
3. How many radio receiving sets have been manufactured in Canada in each of the years 1941 to 1955 inclusive?
4. How many radio receiving sets have been sold by manufacturers in Canada in each of the years 1941 to 1955 inclusive?
5. How many radio receiving sets have been imported into Canada in each of the years 1941 to 1955 inclusive?
6. How many households in Canada have at least one radio receiving set, by provinces?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. Information not available. Number of households with one or more radios as of September, 1955—3,712,000. Distribution is as follows:

Number of households in Canada with at least one radio and showing number with one, two, three, and four or more, by provinces, September, 1955 (not including automobile radios).

Province	Households with radios	Number of households with: One radio	Two radios	Three radios	More than three radios
		(estimates in thousands)			
Canada	3,712	2,713	751	179	69
Newfoundland	76	66	9	*	*
Prince Edward Island	22	18	*	*	*
Nova Scotia	156	119	28	7	*
New Brunswick	117	93	18	4	*
Quebec	969	786	144	30	9
Ontario	1,288	833	332	86	37
Manitoba	217	158	42	11	6
Saskatchewan	227	182	35	7	*
Alberta	278	210	51	13	4
British Columbia	362	248	89	19	6

* Less than 4,000.

Questions

Number of households in Canada with at least one automobile equipped with radios, by provinces, September, 1955.

Canada	906,000
Newfoundland	7,000
Prince Edward Island	3,000
Nova Scotia	31,000
New Brunswick	18,000
Quebec	182,000
Ontario	375,000
Manitoba	50,000
Saskatchewan	66,000
Alberta	84,000
British Columbia	90,000

Source: Survey of household facilities, September, 1955. The sample for this survey is designed to include all households in Canada with certain exceptions. Excluded are: households in the Yukon and Northwest Territories; households of Indians on reserves; such collective type households as those living in hotels, large lodging houses, institutions, clubs and camps.

2. Information not available. Number of households with one or more radio receiving sets as at—

June 1, 1941	2,002,889
June 1, 1951	3,143,555

Source: Census of Canada.

3 and 4.

Production and producers' sales of radio receiving sets in Canada, 1941 to 1955 inclusive

Year	Production (number)	Sales (number)
1941	386,372	399,556
1942	177,149	209,163
1943	979	22,201
1944	—	595
1945	50,317	44,343
1946	603,199	568,320
1947	984,276	836,419
1948	639,493	596,467
1949	791,051	724,517
1950	820,772	758,619
1951	628,395	574,232
1952	567,738	568,884
1953	737,457	620,860
1954	487,620	623,856
1955	572,770	609,993

5. Regular imports of radio receiving sets and imports by Canadians returning from other countries (tourist purchases) were as follows:

Year	Regular imports Number[1]	Tourist purchases Number
1941	2,070	1,952
1942	1,111	1,541
1943	3,509	575
1944	1,494	447
1945	1,012	711
1946	23,023	18,852
1947	67,979	44,050
1948	1,886	993
1949	1,882	51,994
1950	2,826	44,124
1951	9,312	46,497
1952	19,476	62,982
1953	24,364	(2)
1954	15,781	(2)
1955	39,938	(2)

[1] Includes television receiving sets prior to 1953.
[2] Not available.

6. See answer to No. 1.

TELEVISION RECEIVING SETS

Question No. 452—**Mr. Brown (Essex West):**

1. How many households are there in Canada at the present time?
2. How many television receiving sets are there in Canada, by provinces?
3. How many households in Canada have at least one television receiving set at the present time?
4. How many television receiving sets have been manufactured in Canada in each of the years 1940 to 1955 inclusive?
5. How many television receiving sets have been sold by manufacturers in Canada in each of the years 1940 to 1955 inclusive?
6. How many television receiving sets have been imported into Canada in each of the years 1940 to 1955 inclusive?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. Number of households in Canada, September, 1955—3,872,000.

Source: Survey of household facilities, September, 1955. The sample for this survey is designed to include all households in Canada with certain exceptions. Excluded are: households in the Yukon and Northwest Territories; households of Indians on reserves; such collective type households as those living in hotels, large lodging houses, institutions, clubs and camps.

2. Information not available. Number of households with one or more television sets as of September, 1955—1,496,000.

Number of households in Canada with one or more television receivers, by provinces, September, 1955:

Canada	1,496,000
Newfoundland	*
Prince Edward Island	*
Nova Scotia	43,000
New Brunswick	18,000
Quebec	491,000
Ontario	698,000
Manitoba	54,000
Saskatchewan	26,000
Alberta	50,000
British Columbia	112,000

* Less than 4,000.

Source: See footnote in answer to No. 1.

3. See answer to No. 2.

4. Production of television sets in Canada, 1948-1955:

Year	Number
1948	4
1949	9,189
1950	32,971
1951	48,657
1952	141,946
1953	391,974
1954	611,206
1955	852,017

Note: no television sets were manufactured in Canada prior to 1948.

5. Producers' sales of television sets in Canada 1949-1955:

Year	Number
1949	4,163
1950	29,623
1951	39,185
1952	137,236
1953	366,498
1954	487,237
1955	764,957

Note: no producers' sales prior to 1949.

6. Imports of television receiving sets were not recorded separately in trade statistics prior to 1953. They were included with radio receiving sets and separate figures are not available. Imports of television sets during the years 1953 to 1955 were as follows:

Year	Number
1953	16,973
1954	19,085
1955	6,012

Questions

DEFENCE PRODUCTION—TENDER H 33-55-563

Question No. 473—**Miss Aitken:**

1. What were the specifications on tender H 33-55-563 as called for by the Department of Defence Production?
2. What were the names and addresses of the firms that bid for the contract?
3. What were the amounts proferred?
4. To whom was the contract awarded, and at what price?
5. Did the machine meet specifications as called for?
6. If not, in what way did it fail?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Defence Production:**

1. Projector, Bell & Howell, 16 mm., heavy duty "Specialist" BYR-1, complete with separate 12" speaker, (or equal)—in accordance with the following specifications: 1,000 watt lamp, 115 volts AC/DC, 25/60 cycles, 14 watt amplifier, 12" separate speaker, loop setter, service meter with sapphire jewels in the shuttle, guide rail and side tension clips, C.S.A. approved.

2. It is not the policy of the department to disclose other than the name and prices quoted by the successful tenderer.

3. Answered by No. 2.

4. No contract has been awarded.

5. Answered by No. 4.

6. Answered by No. 4.

D.E.W. LINE—AIRLIFT OPERATION CONTRACTS

Question No. 479—**Mr. Stewart (Winnipeg North):**

1. What Canadian firms or companies received government contracts for airlift operations on the D.E.W. line?
2. What amounts have been paid to such firms or companies?
3. Have any individuals been killed in accidents to planes owned by these firms or companies and operated in connection with D.E.W. line?
4. If so, how many, and by what firms or companies were these individuals employed?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1. Contracts to Canadian companies for airlift on the D.E.W. line project were not awarded by the Canadian or United States governments but by the management contractor employed by the United States government.

2. Answered by No. 1 above.

3. Yes.

4. 12 on D.E.W. line work, as follows:

Associated Airways	7
Maritime Central	3
World Wide Airways	2

HOUSE OF COMMONS

Monday, May 14, 1956

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Third report of special committee on estimates.—Mr. Tucker.

First report of special committee on research.—Mr. McIlraith.

ESTIMATES—MISCELLANEOUS PRIVATE BILLS—CHANGES IN PERSONNEL

Mr. W. G. Weir (Portage-Neepawa): Mr. Speaker, I beg leave to move:

That the name of Mr. McCann be substituted for that of Mr. Lapointe.

That the name of Mr. White (Waterloo South) be substituted for that of Mr. Garland.

That the name of Mr. Meunier be substituted for that of Mr. Hanna.

That the name of Mr. Beaudry be substituted for that of Mr. Kirk (Shelburne-Yarmouth-Clare).

That the name of Mr. McWilliam be substituted for that of Mr. Robichaud.

That the name of Mr. Michener be substituted for that of Mr. Churchill.

That the name of Mr. Monteith be substituted for that of Mr. Hamilton (Notre Dame de Grace).

That the name of Mrs. Fairclough be substituted for that of Mr. Hodgson.

That the name of Mr. Pallett be substituted for that of Mr. Rea.

That the name of Mr. Macdonnell be substituted for that of Mr. Small.

That the name of Mr. Zaplitny be substituted for that of Mr. Regier; and

That the name of Mr. Knight be substituted for that of Mr. Ellis on the special committee on estimates.

That the name of Mr. Regier be substituted for that of Mr. Bryson on the standing committee on miscellaneous private bills.

BUSINESS OF THE HOUSE

MOTION TO PROCEED TO THE ORDERS OF THE DAY

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

That we do now proceed to the orders of the day.

Mr. E. D. Fulton (Kamloops): A decision has not been announced on the other motion. In order to maintain our position with respect to the position of the minister on the estimates committee I would say that it carries on division in so far as the name of the minister is concerned.

Mr. Speaker: I take it that the hon. member for Portage-Neepawa moved a motion and, if I heard him aright, the Minister of Finance moved a superseding motion that we do now proceed to the orders of the day.

Mr. Knowles: Is that what the minister said?

Mr. Speaker: Therefore, is it the pleasure of the house to adopt the motion? The question is on the superseding motion.

Mr. Knowles: May I ask a question, Mr. Speaker?

Mr. Harris: No.

Mr. Howe (Port Arthur): No.

Mr. Speaker: The question is the following one. Mr. Weir moved, seconded by Mr. McIlraith:

That the name of Mr. McCann be substituted for that of Mr. Lapointe.—

Shall I dispense?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: Mr. Harris moved, seconded by Mr. Pickersgill:

That we do now proceed to the orders of the day.

Mr. Sinclair: Question.

Mr. Knowles: May I ask a question? Would Your Honour indicate what the effect of that motion would be? What would it do to the motion made by the government whip and also to the motions on the order paper between this point and the orders of the day.

Mr. Speaker: The motion is that we now proceed with the orders of the day. It supersedes the present motion which is under consideration, and if it is defeated we carry on with the routine proceedings on the order paper. If it is agreed to we immediately proceed to orders of the day. To me it is as simple as that.

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

Some hon. Members: Yea.

Those who are opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: I declare the motion carried.

Mr. Fulton: Will we now have questions on the orders of the day?

Mr. Speaker: No.

Mr. Fulton: No questions?

Mr. Speaker: The motion having been carried, we now proceed to orders of the day.

Mr. Fulton: Before the order is read may I ask a question of the Minister of Citizenship and Immigration?

Mr. Sinclair: No, you cannot.

Mr. Fulton: As I apprehend the situation—

Mr. Speaker: Order. I am on my feet and the hon. member has asked if he can ask a question of the Minister of Citizenship and Immigration—

Mr. Fulton: On the orders of the day.

Mr. Speaker: Yes, but we are not on orders of the day. We are proceeding to orders of the day by virtue of the motion that has just been carried and therefore the question time does not take place today.

Mr. Fulton: Mr. Speaker, was not the motion that the house do proceed to orders of the day and not that a particular order be now read? That motion has been carried and the house has now jumped the intermediate stages and come to orders of the day at which time, by custom, questions of the ministers are allowed. If the motion had been that order number so and so be read, I think the question to the minister would not be allowed; but the motion was not that. The motion was that we proceed to orders of the day; so the orders of the day being called, it is in accordance with the usual custom to permit hon. members to ask questions of the ministers.

Mr. Speaker: The hon. member knows that questions are always asked before the orders of the day are called. Hon. members stand up and say, "Before the orders of the day are called, I would like to direct a question . . ."

Now, the orders of the day have been called by virtue of the motion which has just been carried by the house.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

Mr. Speaker: Mr. Howe (Port Arthur) moves, seconded by Mr. Pearson, that I do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as the Northern Ontario Pipe Line Crown Corporation—

Shall I dispense?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. The point of order which I raise at this time is that this question should not be put to the house unless something else, to which I shall refer in a moment, is done first. May I make it perfectly clear, Mr. Speaker, that this is not a repetition of the point of order which was discussed and decided in this house on Thursday of last week.

An hon. Member: We are glad to hear that.

Mr. Knowles: That is crystal clear by the terms of what Your Honour said when you told the house what your ruling was, and it is also crystal clear by the terms of such citations in Beauchesne's third edition as 113, 114 and 115.

Mr. MacDougall: You mean crystal-ball clear.

Mr. Knowles: Citation 113 reads:

The Speaker decides questions of order only when they actually arise and not in anticipation.

In other words, on Thursday of last week Your Honour made a ruling with respect to what was before the house at that time. The ruling of last Thursday does not apply to what is before the house at this juncture and what is before us, I confess, a little sooner today than I thought would be the case. The government's move in that connection is rather transparent.

When you made your ruling last Thursday, sir, you said, as reported at page 3762 of *Hansard,* first of all that the point of order had been raised that it was not in order to proceed with the government notice of motion since a similar proposition stood on the order paper for consideration in committee of the whole. Then Your Honour said this in very clear language:

I ruled that it was in order to present a proposition dealing with the same subject matter when it contained additional provisions.

I think it is quite clear, both from those final words that Your Honour uttered on that occasion and what you said in the course of the discussion on that point of order, that you were referring to the presenting of a similar proposition as distinct from proceeding with a similar proposition. On that occasion you and I differed as to whether or not what was being done on Thursday was a proceeding. Whatever may have been our difference of opinion on that occasion it seems to me that it is crystal clear that today at a later stage we are being asked to engage in a proceeding. It is my contention and my very strong submission that this house cannot properly proceed with a motion or resolution which is substantially the same as one that has already been proceeded with and has

already been considered by the committee of the whole house on the instruction of the house itself.

Mr. Speaker: Will the hon. member permit me to interrupt him at this point just so we may have an understanding right from the start. On Thursday, as reported on page 3752 of *Hansard*, I read an opinion by the Clerk of the house on which I based my ruling. I should like to draw the attention of the hon. member to the third paragraph in the opinion of the Clerk, which reads:

> The new measure contained provisions not provided for in the original resolution and since it would not be in order, without unanimous consent, to propose the new provisions as amendments to the initial resolution in committee of the whole, the second resolution, in my opinion, presented a new proposition.

I based my ruling upon the opinion of the Clerk. Is it a new proposition or is it not? The hon. member contends that it is not, that it is substantially the same as the one already on the order paper whereas the opinion gives an indication to the contrary. If it is a new proposition then we are going into committee on a new proposed resolution.

Mr. Knowles: I thank Your Honour for your interjection and since it was made at that point I take it that you are not quarrelling with my contention that we have now passed beyond the stage of presenting something and have reached the point where the house is being asked to proceed with a proposition. The question is now raised as to whether order No. 16 is substantially the same as or different from order No. 12, which are the order numbers given to the two similar resolutions on today's order paper.

May I remind you again of one of the precedents which you and I both cited in our arguments last week, namely the proposal to amend the Senate and House of Commons Act which was before parliament in the second session of 1945. Let the house see how exact the parallelism is. On that occasion the first resolution provided for the payment of $2,000 expense allowance to members of the House of Commons. The second resolution provided for the payment of $2,000 expense allowance to members of the House of Commons and members of the Senate.

In the case now before us the first resolution provides for the setting up of a crown corporation to assist in the building of a pipe line in northern Ontario. The second resolution provides for the setting up of a crown corporation to assist in the building of a pipe line in northern Ontario and in western Canada. Could anything be more exactly parallel than those two sets of resolutions? Yet in 1945 Mr. King recognized that before he could start to discuss the second resolution he had to make it clear to the house that he was prepared to ask for unanimous consent to withdraw the first resolution. Only a few column inches in *Hansard* from that point, Mr. Bracken, who was then the leader of the opposition, indicated that he was prepared to give that unanimous consent so that the second resolution might be discussed rather than the first one.

Mr. Speaker: Would the hon. member permit me to interrupt again? There was unanimous consent required because the 48 hours' notice had not been given to the second resolution.

Mr. Knowles: Several cases of unanimous consent were required on that occasion. There was the one to which Your Honour has just referred, and it also took unanimous consent to deal with two stages and get first reading on that occasion, but Mr. King—

Mr. Speaker: You must state which one you think Mr. King was asking unanimous consent for.

Mr. Knowles: Mr. King made it very clear when he said, on page 3412 of *Hansard* for December 13, 1945:

> When the orders of the day are reached I shall ask that the house allow the motion No. 7, which is now in its possession—

Just like No. 12 before us is now in our possession.

> —to be withdrawn and the order to be discharged.

I emphasize these words of the late Mr. King:

> I make that intention known immediately so that we may be in a position to discuss the resolution that now appears under government notices of motion.

In other words, Mr. King knew that he could not go ahead with the second one unless there was an understanding between him and the house that the first one was going to be withdrawn.

Last week, on both Wednesday and Thursday, between us we referred to a number of instances. I do not think I need to go further with the case of the $2,000 expense allowance proposition in the second session of 1945 except to emphasize that never were two cases so completely parallel as are these two. Yet on that occasion Mr. King sought the consent of the house to proceed in the proper fashion, and on this occasion the Minister of Trade and Commerce sits in his seat and has nothing to say on this important procedural point.

We also dealt with Mr. Ilsley's treatment of the National Housing Act in 1945. We also dealt with the redistribution bill of 1952. I mention that because there is one further

word that I should say about the redistribution bill of 1952. I gave full credit for the proper handling of that incident to the Minister of Finance, and I do not detract for a moment from the credit I gave to him, but I should have added that he must share the credit with the Prime Minister. I find that actually the first of those redistribution bills was moved by the Prime Minister. Later the Minister of Finance indicated that a second bill had to be substituted for the first one and he asked the unanimous consent of the house to withdraw the first bill so that the house could proceed with the second one. There was some delay the first day. The then member for Lake Centre, now the member for Prince Albert (Mr. Diefenbaker), objected, and so the matter was put off for a few days. When it came up a few days later, it was the Prime Minister himself who made the motion for the withdrawal of the first bill.

So, to the names of Mr. King, Mr. Ilsley, the Minister of Finance and yourself, whom I listed the other day as being on the correct side of this way of doing things, I must also add the name of the present Prime Minister. The other day, in the memorandum that you read to the house—I repeat that I treated it as your memorandum, sir—you indicated that, in addition to the instances with which I was familiar, there were two or three others, which you indicated only by page numbers in the *Journals*. Therefore on that occasion I was not able to deal with them. However, since that time, I have looked them up. Every last one of the page references that you gave on Thursday of last week supports my side of the argument.

First of all you quoted one involving Mr. Dunning. We must add him to the company of the elect. This was in the session of 1927. The matter before the house at the time was a long resolution for the building of branch lines by the Canadian National Railways. It was a resolution of many parts—oh, a dozen or fifteen; I have not taken the time to open the volume for the moment—and Mr. Dunning—

Mr. Speaker: Order. The hon. member and I are not in dispute on that point because that part of the memorandum treats only with having introduced two resolutions or two bills on the same subject. That part deals with the introduction. It strikes me that the hon. member is taking up arguments which he used last Thursday. The first day we discussed this matter was last Wednesday. It was my contention that no point of order should have been raised then but the next day, and the hon. member was inclined to agree with me but hon. members insisted that the discussion take place on Wednesday. On Wednesday I gave a ruling.

[Mr. Knowles.]

Then on Thursday the point was allowed to be discussed again, and as far as the ruling I made on Thursday is concerned I think that what I said on Wednesday and what I said on Thursday must be taken together. In any event, the house had a chance at that time to pronounce itself on the ruling that was then made. If we are going to have another ruling today based on the same arguments as were made last Thursday, it seems to me that we were either right when we discussed the matter then or we were wrong. If we were all wrong we spent a great deal of time for nothing. We should not have held the discussion. But having held it last Thursday, and the house having been called upon to render its decision on an appeal taken from my ruling, I do not think we ought to go back to the decision that was made last Thursday.

Mr. Knowles: Mr. Speaker, I agree with your contention that we should not rediscuss the ruling of last Thursday. The house made its decision sustaining your ruling despite the view I had and still have about it. What I am now taking up is another motion which was not before the house last Thursday and which in my submission is a case of proceeding further with the second resolution while the first one is still on the order paper. I am citing these examples to show that former cabinet ministers have recognized in the house that you could not proceed with a second resolution while the first one was still on the order paper unless you either amended the first one or got the first one off the order paper. If I have erred in suggesting that I was arguing with your use of these citations in support of the position you took last Thursday, I withdraw that, but I am submitting these references in support of the position I now take which is that we cannot now proceed with this further stage so far as this second resolution is concerned.

Mr. Dunning on March 10, 1927, as reported at page 1061 of *Hansard*, sought to substitute a new paragraph 8 in a very long resolution. He moved it as an amending resolution. At that time he said:

> I would like to say that this is an amendment to section 8 of the resolution already standing in my name, with which I hope to go on today, and in view of that—

Notice the care that these ministers exercised.

> —I would ask that it be substituted for section 8 of the existing resolution in order to enable discussion of the whole program today.

Have we had any request from the Minister of Trade and Commerce to substitute this resolution for the other one?

Mr. Speaker: Order. I know the hon. member has studied the matter very carefully. Would the hon. member be good enough to say what the minister could have done if the answer to his request for unanimous consent had been "no"?

Mr. Knowles: Mr. Speaker, with your permission I should like to answer that question but I should like to answer it just a few minutes from now.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): Oh, oh.

Mr. Knowles: I know that the Minister of Trade and Commerce gets a great deal of laughter out of these fine points of order—

Mr. Speaker: May I ask all hon. members to compose themselves and let us have all discussion strictly related to the point of order.

Mr. Knowles: My reason for asking you to consent to my answering that question a little later was that I felt that I was justified in adding briefly one or two other references in support of my contention.

The next reference—and again I found the page because Your Honour was kind enough to give it to me last Thursday—involves Sir George Perley who had before the house a motion with regard to the purchase by the Canadian radio commission of certain C.N.R. radio stations. Sir George Perley asked the consent of the house to change the wording of his notice of motion so that he might be able to proceed with it. Similarly, if I may jump down to still another reference which Your Honour has drawn to my attention, the present Minister of Veterans Affairs (Mr. Lapointe) in 1951 asked the unanimous consent of the house to change the wording of a resolution respecting a piece of veterans legislation so that the house might proceed with it that day.

Mr. Speaker, I have cut short what I intended to add by way of support to the argument because I think that the point has been made and that it is crystal clear. You asked what could the Minister of Trade and Commerce (Mr. Howe) do if he asked for unanimous consent to withdraw the first resolution and the house denied that consent. First of all, Mr. Speaker, may I ask with all respect whether that is a good question.

Mr. Speaker: May I interrupt the hon. member immediately because I did not ask him what the Minister of Trade and Commerce could do in this instance. He was referring to Mr. Dunning's asking unanimous consent and at that moment I was asking him what Mr. Dunning could have done if the house had refused him unanimous consent.

Mr. Knowles: Mr. Speaker, what Mr. Dunning on that day could have done and what the present Minister of Trade and Commerce could have done long ago and thereby saved all this procedural discussion is very simple.

Some hon. Members: Oh, oh.

Mr. Knowles: If my hon. friends want to refer to it, it is set out in citation 695 in Beauchesne's third edition. As I say, what the Minister of Trade and Commerce could have done in the first instance, if he had wished to do it, would have been to ask the house for unanimous consent to substitute the second resolution for the first one. I presume he was not too sure he would get unanimous consent for such a substitution and therefore did not ask it. But that does not release him from the responsibility of finding some way in which to get the first resolution off the order paper. The second way would be for a motion to be made that order number so-and-so be withdrawn and discharged. If the government feared that that process would run into difficulty—if there was fear that it might result in a procedural argument or a debate or a vote—there is another process which might be followed and it is very simple. It is set out in citation 695 and I suggest that Your Honour propose this procedure to the Minister of Trade and Commerce today. Citation 695 reads as follows:

> 695. The proceedings of a committee on a bill may be brought abruptly to a close by an order: "That the chairman do now leave the chair" or by a proof that a quorum is not present. The chairman, in such cases, being without instruction from the committee, makes no report to the house. A bill disposed of in this manner disappears from the order paper, though it can be revived by an order of the house.

Mr. Speaker: If the hon. member will look at page 3761 of *Hansard* he will find that I dealt with all possible alternatives to get rid of the first one, and that alternative was included. There are two others.

Mr. Knowles: Mr. Speaker, you and I have at last reached a point of agreement. If you and I and the Minister of Trade and Commerce can just get together, maybe we can bring this discussion to an end. The matter is quite clear. For a moment today when the Minister of Finance moved the unusual motion that we proceed to the orders of the day, I wondered whether perchance he had not decided to do just this. I listened very carefully when orders of the day were called, thinking that maybe the Minister of

Finance had decided to call order No. 12, whereupon we could go into committee of the whole to continue the discussion on resolution No. 12, at which point a cabinet minister would merely have to move that the committee rise. That motion would not be debatable. When that motion carried and the committee rose, resolution No. 12 would be off the order paper and the house would then be in a position to go ahead with resolution No. 16 in a proper manner.

Now, Mr. Speaker, it is just as simple as that. I remind you, sir, of citation 104, which reads in part as follows:

> The Speaker is responsible for the due enforcement of the rules, rights and privileges of the house, and when he rises he is to be heard in silence.

I am sure you would like me to emphasize those last few words. I continue:

> In accordance with his duty, he declines to submit motions to the house, which obviously infringe the rules which govern its proceedings. If the Speaker is made aware that a member—

The Minister of Trade and Commerce is a member, too.

> —proposes to bring forward a motion, or to engage in a proceeding—

Certainly this is a proceeding. We are asked to proceed with this all day and all night, so far as I know.

> —which would infringe the rules and usages of the house, he deals with the matter, if it seems desirable, by conveying to the member an intimation regarding the irregularity of the course which the member proposes to follow.

I suggest to you, sir, with all respect, that you consider proposing to the Minister of Trade and Commerce that he adopt one of the procedures that have been set out. If you do not wish to adopt the one I propose, I suggest you take one of the others. I suggest that you propose to the Minister of Trade and Commerce that he follow one of those courses.

This is an important matter, on which it is recognized a great deal of controversy and feeling exists. Nevertheless, I suggest that you advise the minister that he deal with it according to proper parliamentary procedure. After all, this needs to be said to the Minister of Trade and Commerce. It is not only important to get things done; it is important to do them in the right way.

Mr. E. D. Fulton (Kamloops): I want to indicate our support of the points of order raised by the hon. member for Winnipeg North Centre and of the proposition that this is a new point of order, and not the same one that was raised on Thursday last. The propriety of raising this new point of order is based on the same grounds on which you made your ruling on Thursday last, which applied particularly to the stage we are at today.

The hon. member has already read one or two of your remarks. I should like to read one of two more to show that you based your ruling on Thursday last on the ground that at that time we were not proceeding but were merely dealing with the presentation of a resolution. Your Honour emphasized that, and emphasized again that while it was in order to allow the presentation of a resolution which was a duplicate of one already on the order paper, it would not be in order to proceed with it. What we are asked to do today is to proceed with it.

At page 3760 of *Hansard* appears this passage in your ruling:

> This illustrates the point that was stressed by the memorandum given to me by the Clerk that there was no obstacle to the presentation of the resolution.

Again, on page 3761, the following appears: This is the point on which I submit the situation today rests and must be disposed of:

> The presentation of resolutions on the order paper by way of notice as our rules require to bring them to a stage where they can be taken up and the proceeding with the two resolutions so as to avoid duplication of debate are different propositions.
>
> I want to assure hon. members they will not proceed with the two resolutions; they will proceed only with one.

Now, sir, we have already proceeded with the resolution appearing as order No. 12. A decision of the house was taken and we proceeded with it for one day in committee of the whole. A vote was taken. That was a question of the house. Another stage then took place, namely, a consideration of the proposed resolution in committee. That being dependent on a decision of the house, the question cannot be held to be other than a proceeding. We proceeded with the resolution. Having had a second resolution presented, we are being asked to proceed with it. Since the two resolutions embrace exactly the same terms, how can it be then said that the particular point which Your Honour made has not now arisen; that is, if we proceed now we shall be proceeding with two resolutions dealing with the same subject matter at the same time? How can it be held that it is not duplication of debate? Your Honour is concerned with the rule against repetition, and rightly so. How can we avoid repetition when we are being asked to proceed with a resolution with which we have already dealt but which we have not finally disposed of? So that, accepting for the moment, as I have to do, because it was upheld by a decision of the house—and I accept it on that basis—the

validity of Your Honour's previous ruling, I say that that ruling having been made, based on the argument which you used, makes it unavoidable, in my judgment, that Your Honour has to rule now—we are asked to proceed with this new one—that you must apply your previous argument and say this is entirely out of order, which would put the government in the position where they must follow the proper procedure, which I am sure has occurred to them before. Why they did not do it, I do not know unless they wanted once again to bulldoze the house as they have done the cabinet, regardless of what the rules say.

But, as the hon. member for Winnipeg North Centre has said, if the Minister of Trade and Commerce marshals his majority he is going to get his way, but let him at least try to respect the rules of the house so that procedure will be in accordance with proper practice and not improper practice.

Mr. Speaker: Well, in my humble view, hon. members have not added very much to what had already been said. I want to tell hon. members that at first sight I could very easily find quotations in the authorities which would indicate that at this particular moment before one proceeds any farther with the resolution that is on the order paper—that is, with the one that is now called upon to be committed—the one that is there now has in the past been discharged before the new one was proceeded with. I find some of those quotations in May, and the general tenor of the principle is that no two subjects substantially the same should be offered in the same session for discussion; that one, if already there, should be discharged or, if a decision has been taken, a motion to rescind should take place before the new one is embarked upon.

Now, the points that have been made ever since the notice appeared on the order paper for the second resolution have been subjects of a great deal of concern as far as I am concerned, and I have discussed the various points that have been brought out fully with the Clerk of the house. After the discussion last Thursday, I may inform the house that for a moment we were in disagreement. We finally rallied and came to the same view. I would say that he persuaded me that the point we expected would be discussed today should be dealt with according to his own way of thinking, which is mine at the moment.

Now, a great deal of confusion took place last Thursday and is taking place today as to the rule of anticipation with respect to debate and the rule having to do with two motions substantially the same being offered for a decision of the house. I have made rulings to the effect that repetition in debates should be avoided and I will continue to make them. I have made rulings to the effect that if a debate has been engaged on, let us say, a resolution in the name of the hon. member for a certain constituency and therefore having been taken up becomes a public order, if another motion on the same subject is to be called and the hon. member proceeds to take it up, it necessarily anticipates a motion that has already been discussed and taken up by the house.

What we are called upon to do today is to commit a proposed resolution to the committee of the whole. The house has not taken any decision at all on any resolution pertaining to the subject matter of the present resolution. I cited the parallel the other day of the bill concerning equal pay for equal work for women and also the bill of the hon. member for Assiniboia (Mr. Argue) on small loans. The Clerk has just given me the details about where the bill of the hon. member for Assiniboia was when the bill concerning the Small Loans Act was introduced by the government.

Bill No. 3, the bill of the hon. member for Assiniboia, was on the order paper at the stage of resuming debate on the motion for second reading on February 6 when Bill No. 51, the Small Loans Act moved by Mr. Harris, was introduced. Bill No. 51 received second reading on March 8 and was referred to the standing committee on banking and commerce. The bill of the hon. member for Assiniboia is still on the order paper. The other day when we were calling public bills and we called the bill of the hon. member for Hamilton West (Mrs. Fairclough), I suspected that perhaps she would take it up because of the discussion that had taken place and she would have been allowed to take it up and discuss the second reading of her bill concerning equal pay for equal work for women.

At this moment we are dealing with the motion for leave to introduce a bill. When a money bill is introduced it must originate in committee of the whole and the resolution, once reported from committee of the whole, concurred in and agreed to by the house, becomes an order for leave. This is the only stage at which we are at the moment.

If hon. members will look at May's fifteenth edition, page 487, they will find the following:

> A certain class of bills, the main object of which is the expenditure of money or the imposition of taxation, must, in accordance with the requirements of the standing orders regarding charges on the people, originate in committee of the whole house.

When the resolutions have been reported and agreed to by the house, a bill is ordered thereon, or upon some only of the resolutions.

This, therefore, is an order for leave. When we introduce a bill on which charges on the exchequer are not involved we merely put the motion in these terms, "Has the hon. member leave to introduce the said bill?", and then that being agreed we move first reading. When it comes to a money bill we must go through the requirements of some of our standing orders, both those regarding 48 hours' notice and those relating to standing order No. 61 which says that instead of proceeding with it immediately we must appoint another day for taking it into consideration and then the day having arrived we must commit that resolution to committee of the whole.

I have made the point that a resolution is a proposed resolution until it has been reported from the committee and adopted by the house. I would refer hon. members to citation No. 491 of Beauchesne's third edition, which is clear on that point:

If a resolution is amended in the committees of the whole, supply or ways and means, the chairman does not report it "with amendments", because it had not been discussed in the house, when the Speaker was in the chair, prior to being referred to the committee. The resolution is not considered by the house in the same way as a bill which, under standing order 75, is read twice before committal. The terms of the resolution are submitted for the consideration of the house for the first time when the resolution is reported from committee. As the house up to that moment has not considered the merits of the resolution, the committee's amendments do not change anything that has been done by the house and no matter how much the resolution has been altered by the committee, it is reported with all its alterations but without the mention of amendments.

The hon. member has said that before proceeding with this one—proceeding meaning one that is entered in the *Journals* of the house, so the minute we make a move it is 'proceeding'—it should have been amended. If one reads the new resolution one realizes there is a difficulty there. The minister himself could not have amended the resolution in committee of the whole. He required a new royal recommendation for the additional amount of expenditures which are contemplated in the additional part of the resolution. He could not have amended. One cannot amend because of the financial initiative of the crown. One cannot amend the resolution which will extend the expenditures which have already been covered by the royal recommendation and therefore a new recommendation would have been necessary in any case for that additional part which is given in the new resolution.

Now, the point at issue between the hon. member for Winnipeg North Centre and myself and the hon. member for Kamloops and myself is this. Must the order of the house which is "house again in committee of the whole on proposed resolution No. 12"—must that order be discharged before consideration is undertaken on the new proposed resolution, No. 16?

The hon. member is contending that unless No. 12 is removed from the order paper we cannot commit No. 16 and go into committee of the whole on No. 16. That is the point at issue at the moment. The hon. member for Winnipeg North Centre has cited several instances where precisely that was done. I have not had the opportunity of studying all the instances which the hon. member has quoted. The one pertaining to the resolution involving an increase of indemnity which Mr. King proposed is one the reference to which I looked at in the *Journals* but I had not read the details of the presentation in debate which Mr. King had made very fully. I read the beginning and it seemed to me, if my recollection is right, that the unanimous consent he asked for at that time could address itself just as much to the fact that he did not want to let the 48 hours' notice go by—only 24 hours in this case—and he wanted to proceed that very same day to take it out of the *Votes and Proceedings* and go ahead with it that day while he had the first resolution pending on the order paper under government orders. Does that clearly make the point that you must ask that the order be discharged in the first resolution before you can proceed with the second if they are substantially the same?

With respect to the motion for discharge, I indicated to the hon. member that according to precedents I have seen the motion is not debatable. There is in Beauchesne a citation which cannot be overlooked when you consider a motion for discharge. Is it a motion or is it not? If it is a motion, all motions must be decided in the negative or the affirmative, but according to the citation in Beauchesne's third edition a motion to discharge is one in a very special category. Beauchesne's third edition, citation 154. The first citation is to the effect that you can move that the order be discharged, but you must have unanimous consent. Without unanimous consent the motion to discharge is of no value whatever. I cannot find the particular citation and perhaps the hon. member for Winnipeg North Centre has that before him.

Mr. Fulton: We accept the point.

Mr. Speaker: I want to make it good before the hon. member accepts it. Perhaps when I am through he will not want it.

Mr. Harris: Is it 323?

Mr. Knowles: While Your Honour is looking up that point perhaps I could answer some of the others you have made.

Mr. Speaker: The point is very easy to detect. The hon. member has said that before a motion is put for the house to go into committee of the whole on this resolution, order No. 12 must be out of the way. That is what he has said. He has cited instances where cabinet ministers have wanted to propose different resolutions from those already on the order paper and had proceeded to ask that the first order be discharged before they proceeded with the second one. That is the point we are trying to deal with at the moment.

Mr. Harris: I think it is 323.

Mr. Speaker: No, that is not the one either. It may be that I have hidden that one.

Mr. Knowles: I think Your Honour will find what you are looking for in citation 454 in Beauchesne's second edition.

Mr. Speaker: Will the hon. member be good enough to read it?

Mr. Knowles: It supports Your Honour's point that there would be difficulty in following some of these other procedures, or maybe there will not be, depending on how you read it. It reads:

> The member who has proposed a motion can only withdraw it by leave of the house, granted without any negative voice. This leave is signified, not upon question, as is sometimes erroneously supposed, but by the Speaker taking the pleasure of the house. He asks "Is it your pleasure that the motion be withdrawn?" If no one dissents, he says: "The motion is withdrawn;" but if any dissentient voice be heard, he proceeds to put the question.

Mr. Speaker: That is not the one; I think it is citation 381 of Beauchesne's third edition. The one I have in mind is that there is such a thing in our procedure as a motion to discharge. Beauchesne's third edition, citation 154.

Mr. Knowles: The Prime Minister used that procedure on the redistribution bill.

Mr. Speaker: It has been used several times, but in the opinion of the hon. member is it not so that if you are allowed to make a motion you are also entitled to have a decision in the negative or the affirmative? Is that not right? Will the hon. member also agree that no motion could be allowed if that principle is not going to be maintained? That is a principle conceded in Magna Carta and it is embodied in our constitution in section 49 of the British North America Act, that a motion must be decided in the affirmative or the negative and that the majority rules. If that is right, and we all agree on that, then there should be no difficulty in making a motion to discharge the order.

Mr. Knowles: Why did he not do it last Thursday?

Mr. Speaker: The second point, the one where the authorities are at variance, is whether the motion is debatable or not. The other day I quoted precedents to the hon. member, one of which was, and I quote from page 3761 of *Hansard*:

> That the order of the house in respect of item numbered 6 under the heading "Government Orders" on today's "Order Paper", be discharged and that leave be granted to withdraw the following proposed resolution.

At that time Mr. Speaker said that the motion was not debatable. But there again there does not seem to be enough consistency or a sufficient number of cases to establish the procedure clearly one way or the other. There is one thing quite sure and certain, there cannot be duplication of debate. We agree on that. If the government changes its mind it should be entitled on a government day to use the procedure in order to consider its idea, that instead of the old one they should have the new.

The hon. member says that we cannot consider the new one unless the old one is discharged. There is a citation in Beauchesne which I will find a little later where he talks about the motion to discharge but he says it must be agreed to unanimously, that is confusing with asking for consent to withdraw according to the citation the hon. member referred to a moment ago and standing order 49. I think there is a difference between asking unanimous consent to withdraw something which is in possession of the house, when permission to withdraw must be given while the debate is going on and not so as to interrupt the hon. member who has the floor, and a motion to discharge an order.

The only thing that is before the house with respect to resolution No. 12 is that the chairman rose and reported progress and asked leave to sit again. The consequence of that was that the house ordered consideration of that proposed resolution at the next sitting. That is the decision which was taken. Now it is contended this resolution will be considered only if the motion to discharge No. 12 is made. Is it agreed that the motion for discharge is not debatable? Is it agreed also that if the motion to discharge is made it is made according to the principle of majority rule and not according to the unanimous consent requirement?

Those are points to be considered. Another point raised in the opinion of the Clerk which I read the other day is that there is in fact an additional element in this resolution which

in his opinion would make it a new resolution. I have concurred in that. Furthermore in his view it has been customary on several occasions to ask for unanimous consent to remove an order.

But there is one principle which must be preserved according to our rule. From this moment on if the government chooses to go into committee, say on order No. 16, in my view they would never be able to come back to order No. 12. That is the point. There must not be duplication of debate.

As to the other points that are being made, we have the bill of the hon. member for Hamilton West (Mrs. Fairclough) and a government bill dealing with equal pay for equal work for women. We also have a bill moved by the hon. member for Assiniboia (Mr. Argue) and a government bill dealing with small loans companies. Once the decision is made there should be no repetition or duplication of debate. Hon. members know that the hon. member for Assiniboia has moved the second reading of his bill and if he had attempted to make the same speech on the second reading of the bill introduced by the government I would have intervened under the rule of relevancy, and I consider repetition as being akin to irrelevancy.

Mr. Knowles: I really do not think that we need to quarrel, you and I at any rate, sir, over the various methods of getting resolution No. 12 off the order paper. There are some difficulties in the way of one method that do not obtain in the case of another.

Mr. Speaker: Would the hon. member permit me to say this? I have found the citation for which I was looking. It is citation 154 of Beauchesne's third edition. If the hon. member agreed to some of the points I made a moment ago, I would like him to consider, as I had to consider in analysing these various points, the effect of this citation:

> When the sponsor of a bill does not want it to be proceeded with, he may move, when it is called, for second reading, "That the order be discharged and the bill withdrawn". Such a motion may be made without notice, is not debatable and requires a unanimous vote.

Since when is a motion allowed to be proposed and is not debatable but requires a unanimous vote? That is disallowing the principle of the majority deciding the motions that are proposed in this chamber.

Mr. Knowles: Mr. Speaker, on that point, since you have raised it at this juncture, is not the reason why unanimous consent is required for that kind of motion related to the fact that it is made without notice? In other words, it is just another way of saying that without proper notice a matter cannot be withdrawn unless there is unanimous consent. What I was starting to say when I was on my feet a moment ago was that I do not see that we need to argue over the methods of getting order No. 12 off the order paper. I think there is a method that is simpler than any of the others, and in my view that method should be pursued.

The point at issue, where we still apparently are in rather strong disagreement, is as to whether or not it is in order to proceed with No. 16 as long as No. 12 is still on the order paper. As to a method of getting rid of it, it is as simple as this. The government can stand up and say, with regard to order No. 16, which has already been called and read by the deputy clerk, "Stand." Then the government can call No. 12 and we can go into committee on No. 12. A minister can then move that the chairman do now leave the chair, or he can move that the committee rise, omitting the words "and report progress and ask leave to sit again." That motion is not debatable and would be carried by the committee; there is no question about that.

Mr. Pearson: How long would it take?

Mr. Knowles: The Secretary of State for External Affairs asks, "How long would it take?" Thirty seconds, and order No. 12 would be off the order paper and the house would be in a position to proceed properly with order No. 16.

Mr. Rowe: Thirty seconds of embarrassment.

Mr. Knowles: I am not going to take the time to discuss the question of the bills in regard to equal pay for equal work for women and in regard to small loans companies. It seems that the question of government bills having priority over private members' bills deals with that. I am not going to argue, because there is no argument between us, as to whether or not this is a proceeding. This proceeding is identical with the proceeding that was taken at this stage of the house on order No. 12. On that occasion there was not only a decision of the house; it was a decision on the basis of a recorded vote, and I believe there will be another recorded vote today when we have reached that stage. In other words, the house will have recorded itself twice in taking the same decision. As for saying that there are difficulties in the way of doing it, surely Your Honour is not arguing that because it is difficult to do it the right way, therefore the Minister of Trade and Commerce must be permitted to do it the wrong way.

Your Honour says you have not had the time to read all the instances to which I have referred. Some of them were page references I got from you, sir. But I will make the statement from a considerable amount of study of this matter that there is not a case in the 89 years' history of the Canadian parliament where the government has even attempted to go ahead with a second resolution similar to a first one without either moving the second as an amendment to the first one or getting rid of the first resolution.

Your Honour said it would have been difficult to move the second resolution as an amendment to the first one because that would have required the Governor General's consent. That is exactly what Mr. Ilsley did in 1945 with the bill amending the National Housing Act. The first resolution was presented with the Governor General's approval. Later he brought in a resolution seeking to amend the resolution of such and such a date, and announced that he had the Governor General's approval to that amending resolution. The ways of doing it are as simple as that. It can be done in no time, but for some reason or other the Minister of Trade and Commerce seems to want to sit tight and not be concerned about the propriety of parliamentary procedures and doing things the right way. I suggest that Your Honour should invite the Minister of Trade and Commerce or the Minister of Finance or the Prime Minister, whoever is in charge of this matter, to deal with this in a proper way.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, just so that there will not be any doubt about the government's intentions, may I say that it is not our intention to proceed with the first resolution which has been spoken of by the hon. member. We intend to proceed with the second resolution, the one which is now called.

If, after the discussion that Your Honour has had with members opposite, it would appear that it is possible to obtain the discharge of an order from the order paper without having unanimous consent—because I doubt that we would have unanimous consent, for one thing—and if the circumstances are such as have been outlined by the hon. member for Winnipeg North Centre—and I must tell him now that I read the citation early last week to which he referred, with respect to the proceedings in the committee of the whole—I can assure you, Mr. Speaker, that we shall do all we can to see that the first resolution is removed from the paper.

However, we are not in a position to do that now until after this one begins. Under those circumstances, I hope that Your Honour would find it possible to make a ruling, so that we can proceed. I shall then consult afterwards, however, in the usual manner, with those who are concerned in these affairs and see whether we can work out a solution to the problem.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I hope that Your Honour, in making any decision, will not be affected by the statement that has just been made. All that it amounts to is a statement that it is not the intention of the government to proceed with the first resolution, which stands on the order paper as No. 12, but that it is the intention of the government to proceed with No. 16, which is the longer resolution based on the same subject matter. It was not the intention of the government originally to proceed with this resolution. It was their intention to proceed with the other. We do not know that, when the uproar across Canada against this procedure—

Some hon. Members: Order.

Mr. Drew: —becomes sufficiently vocal, they may not decide to go back to the first. That is the very reason why this should not be a matter of intention but it should be a matter of clear practice, and I submit a decision should be made on the basis of practice and not upon a basis of intention.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am surprised at the Minister of Finance for making the request that he did.

Mr. Harris: I did not make any request.

Mr. Coldwell: That was implied.

Mr. Harris: No.

Mr. Coldwell: What I was going to say is that, whatever your ruling is, sir, I hope that you will not rule so that the government may do what the minister said they wanted to do. I hope your ruling will be clear-cut and on the point.

As has already been said, I do not think there is a single precedent for the procedure that has been suggested by the government, and as for letting this through today and then withdrawing No. 12 afterwards, the proper procedure surely is to withdraw No. 12 now and then proceed with No. 16 afterwards. Mr. Speaker, I hope that you will protect the rules of the house and not, as the government did, do something entirely outside the rules, and I say that with all respect.

Mr. Speaker: I have indicated to hon. members that I have gone into this thoroughly—

Mr. Coldwell: I thought you said the Clerk had gone into it.

Mr. Speaker: I have gone into the whole thing with him, because I take the responsibility for what I say here and, even if it comes from the Clerk, I must make up my own mind. I have gone through all the details of this thing. It has been of some concern to me because the procedure is a difficult one. When hon. members say there is no doubt that the proper procedure is to have the first one withdrawn all I can say is that I have no power to force anyone to do a certain thing which he does not want to do.

Some hon. Members: Oh, oh.

Mr. Speaker: What I can do is do what I have done. The hon. member for Winnipeg North Centre has quoted several instances involving private members' notices of motion. He has referred to the fact that when they are taken up they become public orders and that, having been taken up, I have said no to other hon. members wanting to proceed with notices of motion on similar subjects. We will be in the same position now.

All we are doing is committing a proposed resolution to the committee of the whole. No decision has been taken yet. We do not know what goes on in the committee unless the resolution is reported and agreed to by the house. Therefore, as far as the house is concerned, we have no knowledge of what takes place. All we know is that item No. 12 on the order paper under government orders is "House again in committee of the whole." Then we have another order, item No. 16 on the order paper, which is "In committee of the whole".

The motion is being made that I do now leave the chair for the house to resolve itself into committee of the whole upon the latter resolution. I say that the minute that resolution is committed to the committee of the whole the government will not be able to do what the Leader of the Opposition feared they might do, go back to the resolution now item No. 12 on the order paper. In my judgment the government will not be allowed to proceed with that resolution. That is the situation.

The only reason why I do not want to make a ruling that before proceeding with the resolution in item No. 16 they must discharge item No. 12 is that I am puzzled about the citation I have just read in Beauchesne, third edition. Is it to be understood that a motion to discharge is synonymous with a request to withdraw? The hon. member for Winnipeg North Centre has made an interesting point. It may be because of the notice that is required. It is made without notice, but if it is made after 48 hours' notice then where does it go? Under routine proceedings? Then it will be debatable. If it is debatable, what is the purpose of trying to get rid of something in order to propose the substitution of another proposition?

The Clerk and I have gone into the matter and it is because of these doubts that I should like to make a decision which will not bind us forever on that particular score. The matter has got to be clarified for the future but I would not want to have to make the decision now. The Clerk is of the opinion that the situation in this regard is no worse—and I emphasize the words "no worse"—than that which obtains when two similar bills are on the order paper such as the bills of the hon. member for Assiniboia and the hon. member for Hamilton West and the government bills on the same subjects. The only difference in the case of this government measure is that it must originate in committee of the whole because it is a money bill and therefore a few more stages of procedure have to be followed. But no decision has been taken by the house. What we will have to make sure of is that there is no duplication of debate and that they do not go from one to the other. If they take up one they will have to proceed with only one and not with the two. Is the hon. member appealing my ruling?

Mr. Knowles: Yes, Mr. Speaker. With respect, I appeal your ruling.

Mr. Speaker: Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

The question is on an appeal from a ruling. Mr. Knowles raised a point of order to the effect that it was not in order to proceed with order No. 16 on the ground that there was another resolution on the order paper dealing with the same subject matter.

I ruled that a resolution containing a provision different from the one partially considered by the house could be proceeded with.

The question is on the Speaker's ruling.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Portneuf)
Gingues
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leboe
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Martin
Masse
Meunier
Mitchell (Sudbury)
Monette
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pommer
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
St. Laurent (Quebec East)
Shipley, Mrs.
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Yuill—132.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fraser (Peterborough)
Fulton
Green
Hamilton (York West)
Harkness
Hees
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Pearkes
Robinson (Bruce)
Rowe
Small
Stanton
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—49.

Mr. Hodgson: Mr. Speaker, I was paired with the hon. member for Pontiac-Timiskaming (Mr. Proudfoot). Had I voted, I would have voted against your ruling.

Mr. Speaker: The question is on the motion that I do now leave the chair for the house to resolve itself into committee of the whole on the proposed resolution.

Mr. Fulton: Mr. Speaker, in order that the Minister of Finance may have the opportunity of doing now that which he said he would consider doing later, I move, seconded by the hon. member for Lanark (Mr. Blair):

That the house do proceed to another order, namely order No. 12.

Mr. Speaker: May I point out to the hon. member that I cannot accept his motion because the order that is now before the house is a government order, and the other order that the hon. member now considers we should proceed with is order No. 12, which is another government order, and government orders may be moved only by the leader of the house. I would refer hon. members to standing order 18(2). There is also citation 136, which reads:

All motions referring to the business of the house should be introduced by the leader of the house.

By virtue of standing order 18(2) the government has full jurisdiction over its own orders. Standing order 18(2) reads:

Except as provided in standing order 56, government orders may be called in such sequence as the government may think fit.

Therefore, I cannot accept the hon. member's motion. Do hon. members wish to ask

for the yeas and nays on the motion that I do now leave the chair?

Mr. Knowles: Yes.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Portneuf)
Gingues
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leboe
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Martin
Masse
Meunier
Mitchell (Sudbury)
Monette
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pommer
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Robertson
Robichaud
Robinson (Simcoe East)
Rouleau
St. Laurent (Quebec East)
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Yuill—132.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fraser (Peterborough)
Fulton
Green
Hamilton (York West)
Harkness
Hees
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Pearkes
Robinson (Bruce)
Rowe
Small
Stanton
Stewart (Winnipeg North)
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—48.

The house went into committee, Mr. Robinson (Simcoe East) in the chair.

Mr. Howe (Port Arthur): Mr. Chairman—

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

Mr. Howe (Port Arthur): —on Tuesday, when I attempted to outline the considerations that caused the government—

Mr. Knowles: Mr. Chairman—

Some hon. Members: Order.

The Chairman: The hon. member for Winnipeg North Centre has risen on a point of order.

Mr. Knowles: I rise on a point of order. I ask Your Honour to take note of the fact that the committee of the whole house is now being asked to consider and proceed with a resolution which is similar to one that this same committee of the whole house considered and proceeded with on March 15,

1956, as recorded in *Hansard* of that date and also as recorded in the *Journals* of that date.

It has been said that the house does not know what the committee is doing, but no one can deny that the committee knows what it is doing. This committee knows that on March 15 of this year we considered a resolution and reported progress on the same, that resolution being similar to the one which the Minister of Trade and Commerce is now asking this committee to endorse.

It has been said that after having proceeded with order No. 16 we could not then go back and consider order No. 12, so I submit by the same token that since we have considered order No. 12, since it is already along the way, we cannot now consider order No. 16. I need not make the point that I could speak at length on this, for I believe that is all I need to say. I ask Your Honour's ruling as to whether or not it is in order to proceed with this resolution at this time.

The Chairman: These are points which have been discussed at considerable length in the last few days. May I point out to the hon. member for Winnipeg North Centre that there are substantial differences in the resolutions to which he is referring. May I also point out to him that we are in committee of the whole constituted today for the particular purpose of considering this resolution. We have gone into committee of the whole for that purpose. This committee has nothing to do with a resolution of another kind. Therefore I cannot find in favour of the hon. gentleman's point of order.

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

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

When the committee of the whole was considering a resolution respecting Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order that the committee could not proceed with the consideration of the resolution since there was under consideration a similar resolution. I ruled that the committee of the whole was constituted to consider a specific proposition and had no knowledge of any other proceedings. Whereupon Mr. Knowles appealed to the house from the ruling of the chair.

Mr. Speaker put the question as follows:

In the committee of the whole, when it was considering a resolution with respect to the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised the point of order that the committee could not proceed with the consideration of the resolution since there was under consideration a similar resolution. The chairman ruled that the committee of the whole was constituted to consider a specific proposition and had no knowledge of any other proceedings. Whereupon Mr. Knowles appealed to the house from the ruling of the chairman.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Portneuf)
Gingues
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lavigne
Leboe
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Martin
Masse
Meunier
Mitchell (Sudbury)
Monette
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pommer
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Robertson
Robichaud
Rouleau
St. Laurent (Quebec East)
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault

Thomas	Weaver
Tucker	Weir
Viau	Weselak
Villeneuve	Yuill—131.

NAYS

Messrs:

Aitken, Miss	Knowles
Argue	Macdonnell
Balcer	MacInnis
Barnett	MacLean
Bell	McBain
Blair	McCullough (Moose Mountain)
Bryce	McGregor
Bryson	Monteith
Cameron (Nanaimo)	Murphy (Lambton West)
Campbell	Nesbitt
Castleden	Nicholson
Charlton	Pearkes
Churchill	Perron
Coldwell	Robinson (Bruce)
Dinsdale	Rowe
Drew	Small
Ellis	Stanton
Fraser (Peterborough)	Stewart (Winnipeg North)
Fulton	Tustin
Green	White (Hastings-Frontenac)
Hamilton (York West)	White (Middlesex East)
Harkness	Winch
Hees	Zaplitny—50.
Herridge	
Johnson (Kindersley)	
Jones	
Knight	

Mr. Hodgson: Mr. Speaker, I was paired with the hon. member for Pontiac-Timiskaming. Had I voted, I would have voted against the chairman's ruling.

And the house having resumed in committee:

Mr. Howe (Port Arthur): Mr. Chairman, on Tuesday, when I attempted to outline the considerations which caused the government to bring forward this new resolution, loud laughter greeted my use of the rhetorical question, "What was to be done?" That response to a serious consideration of practical problems suggests a vacancy of mind, or a refusal to face facts—

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): —or the easy irresponsibility of those who need not produce a workable course of action.

An hon. Member: Who wrote that?

Mr. Howe (Port Arthur): The course of action the government proposes is based upon certain inescapable facts. The first of these is that if the western part of this pipe line system is not started this year it probably cannot be started before 1958. The second is that for the Alberta gas and oil producing industry, and for consumers eastward from Alberta to Montreal, 1958 or 1959 is uncomfortably far away for a start to be made. The third is that there is only one agency which can be placed in a position to build the western part of the pipe-line system this year.

Nothing that can be said in this house can change those facts. Nothing that can be said here is going to end the world shortage of steel plate suitable for making large diameter steel pipe. No words uttered here can convince the owner of capped gas wells in Alberta or the would-be gas consumers in Manitoba or Ontario that there is no hurry about building the all-Canadian gas pipeline system. In this connection I would refer hon. members to the attitude taken by the Ontario government, which recognizes that time is of the essence. No criticisms or tags such as "chosen instrument" here cast upon Trans-Canada Pipe Lines Limited will alter the fact that only that company has gathered together the gas purchase and sales contracts, the governmental permits, the organization and the access to pipe which make possible a start this year upon the pipe line.

We all have to deal with those facts, and we have to deal with them now. The government believes that the way of dealing with them which it proposes will turn them to the advantage of the country, and that delay in dealing with them will result in serious damage to the country.

I am not going today to repeat the history of the all-Canadian pipe-line project which I outlined here on March 15. Bear in mind, though, that in December of 1953 the government of Alberta asked this government's assistance in bringing together the Canadian-sponsored company which proposed to transmit gas to Winnipeg and thence to the United States, and the other company, sponsored largely by United States citizens, which alone had proposed to bring Alberta gas to central Canada. Having encouraged the merger of these two groups, this government agreed to permit exports south of Winnipeg concurrently with service to central Canada under the company's plan to allocate, out of the 500 million cubic feet per day which the Alberta government would permit it to export, 200 million per day for export at Emerson, and the balance for central Canada in so far as the central Canadian market could absorb it. It was on this basis that the new company prepared its engineering and financing plans.

Last autumn, when it became apparent that sales in central Canada would not be sufficient in the early years to attract the private capital necessary to build the whole line, this government in association with the government of Ontario agreed, subject to approval of the respective legislative bodies, to construct and temporarily own the section

from the Manitoba boundary to Kapuskasing, known as the northern Ontario section. The Ontario legislation was approved unanimously by the provincial parliament.

In passing, I note that members of the opposition have fallen into the habit of calling this the unproductive section. I suppose that when such hon. members water their gardens, they turn on the tap and walk down the garden path with the unattached nozzle in their hands. They would regard a connecting hose as unproductive.

Leaving that aside, it could reasonably be expected, and still can, that with the northern Ontario section removed from the initial capital requirements of the project, the whole project could be financed as soon as the export contract with the United States customers was approved.

We did not at that time expect extended delay in the approval of that contract by the federal power commission. Perhaps we should have, although I do not believe we could properly have assumed that there would be so long a delay. However, there has been, and there is no end clearly in sight. This is another fact with which we must deal. As I said on Tuesday, the government has decided so to arrange matters that the all-Canadian pipe line can proceed without awaiting the action of any agency of another government.

At first glance there might seem to be a number of ways in which this could be done. On closer examination, the practical choice is very limited.

We have heard a good deal in recent days about the McMahon proposal. Although it is now history, having been withdrawn, I should like to suggest to the house some of the reasons why it was never formally put forward by its sponsor, and why it could not have been accepted had it been presented formally. The immediate and overwhelming objection to his proposal was that it involved the export from the outset of 400 million cubic feet per day at Emerson, as compared to 200 million under the present plan. This would leave only 100 million a day for eastern Canada, an amount clearly insufficient to attract capital to construct the pipe line eastward from Winnipeg and quite inadequate for central Canadian requirements.

Second, Mr. McMahon had no gas purchase contracts, no sales contracts, no permits and no pipe. As you will have seen from the correspondence which has been tabled, he attempted to reassure me on the score of pipe, but the quantities and diameters he was able to specify were simply not consistent with the construction, even on a patchwork basis, of a line to central Canada in the time he specified.

The only way in which Mr. McMahon could have acquired the necessary contracts, permits and materials would have been to buy out Trans-Canada. Since he was backed by the U.S. firms which are opposing the present plan for marketing Canadian gas in the U.S. middle west, and since the gas producers with whom he would have had to do business to acquire gas supplies are the principal present shareholders of Trans-Canada, his prospects in that regard were not bright.

Mr. McMahon was optimistic about the price his United States associates could pay for gas, and assumed that they could, without delay, obtain federal power commission approval of their proposed contract with him. One of these associates, Northern Natural Gas Company, applied in January of 1955 for permission to import gas from Trans-Canada at a lower price than Mr. McMahon was proposing. That hearing was adjourned *sine die* mainly, it would appear, because of objections of some of the customers of Northern Natural that the price of Canadian gas was too high. We should by now have learned that it would be unwise to base Canadian action on a guess as to the outcome of any application before the federal power commission. Mr. McMahon himself would be the first to agree, in the light of the history of the Westcoast project. Incidentally, McMahon is selling his gas at 22 cents at the United States border, whereas the Trans-Canada contract calls for 25½ cents and upward.

All this being so, there was not much use pursuing the matter further, but there were other points on which I was sceptical, one being that Mr. McMahon never disclosed the proposed sources of his Canadian equity capital, or the definition of "Canadian" which would be applied to it. This proposal was never a starter, but it has confused the issue now before us, and it has confused the opposition in particular. If any hon. members have studied it as closely as I have they will, I am sure, agree with Mr. McMahon that it had now best be forgotten. The Ontario government apparently came to the same conclusion several months before we did.

Public ownership still seems to us to be unattractive. I have stated previously that the government foresees grave difficulty in trying to operate a pipe line on an economic basis with its constituents and shareholders at the producing end demanding higher field

prices, and its constituents and shareholders in consuming areas demanding lower sale prices.

It also doubts the propriety of using taxpayers' funds to operate a gas business in competition with the privately-owned coal and oil industry. A study of gas pipe-line financing in North America and elsewhere discloses many examples of government assistance to private enterprise in the form of loans or cash contributions, but I have been unable to find any example of direct operation by a government of any extensive gas transmission system. In short, it would appear that all governments have reached the conclusion that the long range transmission of natural gas is a field for private enterprise, with government assistance if necessary, and not a field for government ownership and operation.

It may yet prove necessary for us to attempt government enterprise in this field, but we believe that every prudent alternative should be explored first. We are therefore not prepared at this time to take over the enterprise of Trans-Canada and go into the gas transmission business.

I have implied that taking over the enterprise of Trans-Canada would be the only way for us to enter immediately into this business. That is precisely true. If we were to start from scratch to build a government gas transmission system we would, like the McMahon proposal, face the time-consuming business of setting up an organization, securing permits to remove gas from Alberta and from the board of transport commissioners to construct a specific pipe line. We would have to acquire gas supplies, negotiate gas sales contracts and, if we wished to export gas, start the federal power commission procedure all over again. If we could do all these things overnight we still could not build a pipe line until 1958, because we could not get the pipe.

That brings me back to the third hard fact I stated when I began. There is in Canada only one agency which can be placed in a position to build the western part of the pipe line this year. That is Trans-Canada Pipe Lines Limited. Some sections of the press, and some hon. members, are in the habit of referring to Trans-Canada as the government's "chosen instrument". The government has no chosen instrument. Trans-Canada is the only usable instrument available.

Perhaps because they are impatient with the delays that have occurred, some hon. members claim Trans-Canada has defaulted on its obligations. It is the only company which has permits from the Alberta petroleum and natural gas conservation board to move gas eastward from Alberta. It is the only company which has a permit from the board of transport commissioners. It is the only company which has under contract gas supplies adequate to serve the central Canadian market and also an export market. It has sales contracts with many Canadian consumers. It has an organization of men experienced in pipe-line construction and operation.

Above all, it has pipe of the required 34-inch diameter ready to be delivered. As a result of the foresight of three of the main sponsors of Trans-Canada, namely Tennessee, Gulf Oil and Hudson's Bay Oil and Gas, this pipe was ordered last November and is now being produced and stored in the southern United States. It is owned by these three companies and an option on it is held by Trans-Canada, good until the end of the 1956 construction season. Unless that option is exercised, pipe will not be available for construction of the western section before the 1958 construction season.

It is very fortunate for all concerned that the pipe was ordered last November; otherwise today we should have no alternative but to wait. The present owners in ordering it took on an obligation of some $40 million in order that there would be no delay in starting construction and getting gas on its way to market once financing had been arranged. The option on the pipe was originally related to the approval by the federal power commission of the contract between Tennessee and Trans-Canada. It is now being formally altered to give Trans-Canada an option relating to the financial responsibility of Trans-Canada, that is, its ability to pay for the pipe when delivered, in accordance with informal understandings previously agreed upon between Trans-Canada and the owners of the pipe.

The effect of all this is that Trans-Canada, and Trans-Canada alone, now has all the factors other than money necessary to start construction this year. Financing by normal methods cannot be arranged in the absence of validation by the federal power commission of Trans-Canada's contract with Tennessee.

We are not content to wait further for the federal power commission's approval; we are not equipped or willing to build the line ourselves; we desire that the line be started this year, rather than in 1958. Therefore the only practical arrangement is to finance a start by Trans-Canada this year. That is what is proposed by the new part of this resolution. Trans-Canada might well have preferred to take its chances on securing federal power commission approval, completing its financing, and constructing its project in due course. In the absence of any alternative project, it might well have counted on success in this.

Trans-Canada did, in fact, express some reluctance to accept the terms on which we propose to finance the 1956 construction of the western section. Perhaps when hon. members study those terms they will understand why. Each shareholder is required to put at risk his full investment in the company in order to build a long stretch of pipe line from Alberta to Winnipeg, which is a losing proposition unless it is completed to the United States or eastern Canada. The revenues from the sale of gas in western Canada will barely pay the operating expenses of the line, far less the interest and the depreciation. The company knows that unless it goes on to complete the line either southward or eastward by the spring of 1957 it stands to lose most, and perhaps all, of its investment. The investment now totals in excess of $15 million, and will be more before the western section is completed.

This is not a "heads I win, tails you lose" proposition for Trans-Canada. I have never been associated with any government policy of that kind and I never will be. Trans-Canada stands to lose several million dollars if it does not succeed in paying off the loan and building beyond Winnipeg.

If it does succeed in paying off the loan and building beyond Winnipeg, it has still a long way to go before it begins to reap any profit on its investment. If this were a sure thing I know plenty of people who would be only too willing to finance Trans-Canada today. The picture of this proposal as a scheme to provide vast profits for Texas buccaneers is a fantasy insulting to the most ordinary intelligence, and grossly insulting to the men who have sponsored this project with hard cash and hard work where most Canadians have been unwilling to venture.

As for the government, it is nothing out of pocket if the loan is repaid with interest at 5 per cent. Indeed, it makes a modest return on its investment. It is not by any stretch of the imagination a subsidy to Trans-Canada or a subsidy to the building of the pipe line. On the other hand, if the loan is not repaid the government gets the western section of the line, which would have to be built in any event, for 90 per cent of the cost. I consider that a bit of a bargain.

The legislation which this resolution seeks to introduce is in two parts: (1) A first part, identical with the original proposal, which would authorize the formation of a crown corporation to construct and lease to Trans-Canada the northern Ontario section of the all-Canadian natural gas pipe line. The agreements relating to this part of the legislation have already been tabled and fully explained. As the house is aware, I tabled some days ago the amendment extending this agreement to November 1, 1956, to conform to the extensions previously granted by the Alberta conservation board and the Board of Transport Commissioners for Canada. (2) A second part, authorizing the Minister of Finance to make an advance to Trans-Canada of 90 per cent of the cost of construction of the western section of the pipe line at going commercial rates of interest, and to take appropriate security.

When the legislation is approved the position will be as follows: (1) The government will be in a position to advance to Trans-Canada 90 per cent of the cost of construction of the western section, secured as I have described; (2) the advance will be made at going commercial rates for bank financing of a similar kind. Trans-Canada will undertake to repay this advance by April 2, 1957. (3) In the event of failure to repay by due date, the assets and shares of Trans-Canada will be taken over by the government, and the government will have the option of taking over the company as a going concern, on the terms I have stated, or of returning the unwanted assets and shares. The government is not required to take over Trans-Canada. It has a right to do so, but is under no obligation; (4) in the event that the Trans-Canada company is unable to repay the advance for the western section, the government will, as soon thereafter as possible, bring before parliament its further plans to ensure the completion of the all-Canadian line; (5) the government hopes, however, that the Trans-Canada company will be able to arrange the necessary financing for the whole line before the advance for the western section falls due. In that event the advance will be repaid and the government will proceed, as originally planned, to construct the northern Ontario section, which it will finance jointly with the government of Ontario, and to lease that section to Trans-Canada as part of the over-all project.

This is the proposal which the government commends to the house after prolonged and exhaustive study of every possible alternative. It offers an opportunity for an immediate start on construction. It gives the Trans-Canada company an adequate opportunity to demonstrate that it can finance the whole of the line. It ensures that the completion of the all-Canadian pipe line will not be further delayed by uncertainties about the decision of the federal power commission. It does not commit the government to public ownership, but it recognizes that if there are proven to be too many handicaps in the way of private enterprise, the government may have to take over and construct the whole of the line as a national enterprise.

Northern Ontario Pipe Line Corporation

Mr. Chairman, hon. members of the opposition appear to be greatly distressed by the fact that the capital which has so far been put into Trans-Canada is predominantly from the United States. They profess to see in this a "sell-out" of Canadian interests, and they have applied to those of the sponsors who come from the United States terms which one might expect to hear from a banana republic revolutionary, but not from any Canadian statesman.

Those who cry "sell-out" and "Texas buccaneer" are misrepresenting the facts. Also, as they have already found, apparently to their own surprise, they are scaring the goose that lays the golden eggs.

Mr. Rowe: Some goose!

Mr. Howe (Port Arthur): I repeat that the pipe line will be built wholly within Canadian territory. It cannot be built without a permit from the board of transport commissioners. Not a cubic foot of gas can be exported to the United States without a permit from the Canadian government. Prices to United States customers, by the terms of the export license itself, cannot be more advantageous to the buyer than those offered to Canadian customers. The entire project is subject to Canadian law. Parliament can at any time legislate whatever further regulations are considered to be in the national interest. In other words, an all-Canadian pipe line, whoever may own it, is completely under Canadian control.

The confusion of the Leader of the Opposition is illustrated by his complete misunderstanding of the really important and unusual provision which is being made by Trans-Canada in regard to its share marketing program. When I described this provision on March 15 the Leader of the Opposition sneered at it, using the terms "shallow pretence". He foresaw some juggling of share issues which would result in the offer of 51 per cent of the common stock to Canadians becoming meaningless. Now, I am more or less accustomed to the Leader of the Opposition accusing me of misleading the house, that being his idea of statesmanship, but his inability to understand a straightforward proposition continues to amaze me.

I wish to state again the proposal which Trans-Canada has made with regard to the issuance of shares. I shall do so in the words of the agreement among the sponsors. Section VI of that agreement states:

> Trans-Canada declares and agrees that its arrangements for the financing of the costs of construction of the west-east natural gas transmission line proposed to be built by Trans-Canada will include a public offering in Canada of common shares of Trans-Canada's presently unissued capital stock in an amount not less than 51 per cent of the total number of common shares of Trans-Canada to be outstanding after such offering has been made including the shares covered by such offering, and that it is Trans-Canada's intention to effect a wide distribution of such shares throughout Canada.

This is a solemn covenant, laid before this house and this country by the responsible companies who are sponsoring Trans-Canada. To suggest that its intent can be perverted by subsequent share issues is to reveal ignorance of the fact that before mortgage financing can be arranged, the equity capital must be stated and the related share issue registered and fixed in the trust deed or mortgage indenture.

Whenever I have mentioned this 51 per cent offer, I have taken care to point out that it does not guarantee control by Canadians. We cannot force Canadians to buy the shares or, having bought them, to keep them. Short of public ownership there is no way of guaranteeing Canadian control of the shares. If public ownership is what the official opposition want when they demand Canadian control, let them stand up and be counted with the party to their left, who at least advocate public ownership out of intellectual conviction, not out of intellectual confusion. I hear, however, that intellectual conviction on the part of Saskatchewan socialists stops short at gas and does not extend to cement plants.

If the Progressive Conservatives are not prepared to vote with the socialists, then let them have the grace to admit that this undertaking by Trans-Canada is most unusual in the provision it makes for whatever Canadian equity capital may desire to join in the venture. I repeat that, short of public ownership, it goes as far as could reasonably be asked to protect the Canadian interest.

In summing up, I submit that this is a prudent and practical proposal. Its purpose is to hasten the day when Alberta will have an adequate outlet for its surplus gas, and the day when the cities, towns and industries of Saskatchewan, Manitoba, Ontario and Quebec within economic range will have access to this fuel. It is an undertaking of truly national scope, which we must either launch now or see languish for years to come. The means proposed are flexible, adaptable either to development by private enterprise, which is in keeping with the tradition and spirit of this country, or if necessary by public ownership, which though less attractive can still be moulded to our national needs.

Mr. Chairman, it is obvious that some hon. members prefer to obstruct this motion rather than debate it; therefore I beg to give notice that at the next sitting of the committee I shall move that the further consideration of

this resolution shall be the first business of the committee and shall not further be postponed.

Mr. Knowles: The guillotine!

Some hon. Members: Dictatorship!

Mr. Drew: Mr. Chairman, this house has heard the threat of dictatorship this afternoon. This house has heard an expression of the concept of parliamentary procedure that is held by the Minister of Trade and Commerce. The Minister of Trade and Commerce a few minutes ago said, "Let the Conservatives admit that this proposal is most unusual". We do; without hesitation. We admit it is not only unusual, but we submit that it is the worst proposal ever put before this house and one which will damage Canada in the years ahead if it goes through.

An hon. Member: Is that why Premier Frost supports it?

Mr. Drew: There have been occasions recently when we have seen that the minister does not always prepare the statements which he reads in this house. Today it is quite certain that he did prepare this speech. No one else would have written it. No one else would have brought together such a complete confusion of conflicting statements about the subject that is now before us.

Last Tuesday the members of this house, including the Prime Minister, heard these words from the Minister of Trade and Commerce:

> The action proposed today is another declaration of independence by Canada.

What tawdry and nauseating inversion of the truth. Those words and the self-conscious-evidence of highly organized applause which followed them were simply a clear and effective declaration of political and moral bankruptcy of the Liberal party. Whom do they really think they are fooling? This is a complete and clear sell-out which has no relation whatever to the original proposal, bad though that proposal was.

Since this chosen instrument of the government was embraced in the loving arms of the Minister of Trade and Commerce every step has been shrouded in chicanery, mystery and evasion. Not even the Prime Minister knew about the communications from Mr. McMahon until they were discussed in this house and until after Mr. McMahon had received instruction from the Minister of Trade and Commerce. We still are waiting to hear what took place between Mr. McMahon and the Minister of Trade and Commerce. We only have the communications from Mr. McMahon to the Minister of Trade and Commerce. We do not know what the replies were. We do know there were replies. Today the Minister of Trade and Commerce told us that Mr. McMahon was trying to reassure him in regard to the supply of pipe and other details. Reassure him? Why? Because the Minister of Trade and Commerce had been discussing these details with him here in Ottawa and elsewhere.

We saw no acknowledgments of those letters. Was there no statement to Mr. McMahon that would have interested this house, and above all was there no statement that would have interested the Prime Minister, the nominal head of the government? He had not heard of them. Everybody else had been reading about them in the press but he had not even heard about them from the minister who sits next to him. The minister of mines and resources—and after all these are resources—had not heard about them either except through the press.

An hon. Member: Get the title fixed.

An hon. Member: There is no minister of mines and resources.

Mr. Drew: The Minister of Mines and Technical Surveys had not heard about them; yet that would certainly come under his department. As a matter of fact it would be much better under his department than under the present department. That would be a much more logical place.

The statements which have been made today are further examples of the way in which this house has been dealt with in regard to this whole subject. As far as this chosen instrument of the government is concerned, the Minister of Trade and Commerce is quite correct when he says that only one agency has been placed in position to proceed this year. He has taken good care of that. He has taken very good care of that. No one else has been permitted to take any part in these discussions. He talks about the difficulties that are being encountered, and he tells us that there are still great difficulties about obtaining permission from the federal power commission in connection with the export of gas to the United States. His words were, "There is no end clearly in sight."

Let us see just what that means. That means that in the words of the Minister of Trade and Commerce himself there is nothing to indicate the possibility that financing can be arranged on the basis of permission to sell gas in the United States. Let us just examine what has actually happened in this case. We had before us for some time a resolution on the order paper to provide that a crown corporation be set up to be known

as Northern Ontario Pipe Line Crown Corporation for the purpose of building a bridge through northern Ontario, which we were told was the difficult part of the line. Any suggestion that this area presented difficulty was not put forward in the first place in this house by any member of the opposition; it was put forward by the Minister of Trade and Commerce as the only justification for that first proposal that public money should be put up to finance this venture.

Now we have something different; now we have something very different. We have a motion before us incorporating the same provision that the Northern Ontario Pipe Line Crown Corporation is to be set up for the purpose, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

The purpose is to set up a crown corporation to build this northern pipe line. Now we have something which completely defeats that purpose. We are told that in addition there is going to be an arrangement by which the money advanced to the crown corporation can be used for another purpose. That money, the money of the Canadian taxpayer, can be advanced to build a line in western Canada. Up to $80 million of the $130 million that will go to this crown corporation can be used for that purpose. Therefore the crown corporation will not have money left to proceed with the northern Ontario bridge. What is now before us defeats the very purpose that was first incorporated in this resolution.

The Minister of Trade and Commerce has talked about a declaration of independence. This is a declaration of complete dependence. Why is the Minister of Trade and Commerce so interested in Trans-Canada Pipe Lines? Why has he refused to consider anything else? Why is that alone the chosen instrument of the government? Why will that alone be heard in any discussion that takes place? The Minister of Trade and Commerce has just told us in the last few minutes that closure is going to be moved tomorrow, that the guillotine is going to be applied.

Some hon. Members: Hear, hear.

Mr. Drew: I want to place on record the fact that Liberal members behind you and to the right are shouting "Hear, hear."

Some hon. Members: Hear, hear.

Mr. Drew: I repeat, there are loud "Hear, hears" from the Liberal members to the suggestion that closure be applied. I want that recorded in *Hansard*, because I want it known that it is not only the Minister of Trade and Commerce but that it is the Liberal party as a whole—

Some hon. Members: Hear, hear.

Mr. Drew: Well, one thing that is left without any uncertainty is that every Liberal member of this house shares the responsibility for the denial of ordinary parliamentary rights to the members of this House of Commons.

Mr. Garson: The Liberal party as a whole does not want another Drew power shortage in the province of Ontario.

Mr. Rowe: You created the shortage, your party in Ontario.

Mr. Drew: The Minister of Justice knows as little about this as he knows about most other things of which he speaks. I am not going to remind him of certain power shortages there were in the province of Manitoba at a time he had some responsibilities there. There was a war on, and that had something to do with shortage of supplies—

Mr. Howe (Port Arthur): That was long before.

Mr. Drew: —and that affected a great many people. But as far as the question of power shortages is concerned, may I say, in spite of the interference of the Minister of Trade and Commerce, we were able to build up power supplies in Ontario very satisfactorily under a Conservative government at that time.

The Minister of Trade and Commerce has suggested that we should make perfectly clear where we stand. I shall make it perfectly clear. I made it clear on March 15, the one other day in this whole session when we have been permitted to debate this subject on a motion. This is what I said at that time, as recorded at page 2182 of *Hansard*:

> I want to put certain suggestions before the house and for the consideration of the government, in the hope that they may be prepared to listen to the words of the Prime Minister when he told the house last year that he did not like this method. First, refer the whole question immediately to a committee of this house to obtain the facts and make appropriate recommendations. Second, insist upon the reorganization of Trans-Canada Pipe Lines as an all-Canadian company which can proceed immediately and under Canadian control. Third, if Trans-Canada cannot carry out its undertaking, then open the whole matter and permit new interests to make their proposals for an all-Canadian line, Canadian controlled. Fourth, if it can be shown, and I doubt that it is so, that part of the pipe line must be built as the government asserts on this occasion, then instead

of building a part which could become an orphan under certain circumstances in the future, let them build the whole pipe line and lease it for operation under Canadian control.

By one of these methods, Mr. Chairman, Canada's main gas pipe line can be returned to the control of Canadians as it should be. This is our chance here in the House of Commons to mark a turning point in the greater control by Canadians of their own resources. Let this be a declaration not only in relation to natural gas but in relation to our great resources generally, not in any spirit of selfishness, not in any narrow approach but rather with the idea that as trustees for future generations of Canadians, along with any export that may be carried out under wise and appropriate conservation and control, our main purpose will be the future welfare of Canadians themselves.

I repeat those words today. They are clear, they are understandable and they state our position. Trans-Canada Pipe Lines came into this with certain assurances. Let those assurances be carried out. They came into this whole venture with certain clear and explicit promises. Let those promises be carried out. In so far as that is concerned, if they cannot carry out those promises then let us have some alternative method.

The Minister of Trade and Commerce suggests now that there is dreadful urgency. We are waiting to hear from the Prime Minister. I hope that when the Minister of Trade and Commerce moves closure he will not shut off the Prime Minister. We have been waiting for four months to hear from the Prime Minister as to what are his views. We have a right to know his views. We have the right to know why it was he said last July that he did not like this third method, but he still is now going along with it and with an infinitely worse proposal that has been placed before us for consideration today.

After all, while we know that the real and effective head of this government on this occasion is the Minister of Trade and Commerce, the Prime Minister is the nominal head. The Prime Minister is answerable to the representative of the crown and to parliament, and in that capacity he has a duty to tell this house, and to tell the country through the ordinary channels available in this house, why he has changed his mind since last July and why he is now prepared to approve this improper proposal.

This house met on January 10, four months and four days ago. In the speech from the throne read that day the government stated clearly that there was going to be placed before this house a provision that would carry out the incorporation of a crown company to build a northern Ontario section of the pipe line. Here we are on May 14, and here we have this motion before us for the very first time; yet the Minister of Trade and Commerce says, "You will not have any debate; we shall move closure right away".

Any delay there has been has been the delay of the government. The issue that is now raised is the authority of parliament itself. Any member who is prepared to support a closure motion tomorrow denies the authority and responsibility of parliament and accepts something in the form of dictatorship in this house. Nothing could better expose in all it ugly nakedness the real concept of parliament held by the Minister of Trade and Commerce than that threat uttered today when there had not been one single speech made in response to his own.

Mr. Rowe: The first time since confederation?

Mr. McCann: How about 1932?

Mr. Rowe: No, you debated for weeks.

Mr. Drew: Mr. Chairman, where does all this idea of haste arise? This government forced through the incorporation of Trans-Canada Pipe Lines, its chosen instrument, in 1951, over five years ago.

Mr. Howe (Port Arthur): No, that is not true.

Mr. Drew: What is not true?

Mr. Howe (Port Arthur): We did not do it in 1951. It was done in 1953, or 1954.

Mr. Drew: It was certainly incorporated in 1951.

Mr. Howe (Port Arthur): Trans-Canada was, but the amalgamation was not.

Mr. Drew: The Minister of Trade and Commerce is referring to something else. He is referring to the shotgun wedding that he performed between Trans-Canada Pipe Lines and Western Pipe Lines. As sometimes happens in those cases where the bridegroom carries out the undertaking with a gun at his head, the bride is called upon to accept the name of the bridegroom, and that was what happened in this case. It was a shotgun wedding, and in these unholy bonds of matrimony Trans-Canada Pipe Lines moved forward under the blessing of the Minister of Trade and Commerce as the sole and only chosen instrument of this government. The sign was up for everybody else to keep off the grass, just as it was up for Mr. McMahon last week. We are still waiting to hear what that conversation with Mr. McMahon was when he so suddenly decided to withdraw his offer. We know he was warned off. We know he was told that the chosen instrument was going to be the only organization that would be permitted to go ahead.

Mr. Dickey: How do you know that?

Mr. McCann: That is a guess.

Mr. Rowe: You certainly do not know anything about it.

Mr. Howe (Port Arthur): How do you know?

Mr. Drew: Mr. Chairman, how true it is when the Minister of Trade and Commerce says that only one agency has been placed in a position to proceed this year. Only one agency has been in a position to proceed at any time.

I want to refer to some of the comments made about Mr. McMahon in the speech by the Minister of Trade and Commerce. He was rather scornful of Mr. McMahon today. Mr. McMahon is no fly by night promoter. Mr. McMahon happens to be the only Canadian who has financed a gas pipe line in Canada. Of course he is dependent on the government for certain considerations, and on that account he may be called upon to exercise certain caution in some of the things he does. But Mr. McMahon has actually been responsible for financing Westcoast Transmission, a venture that involved $153 million. He brought in a large amount of capital from the United States.

Mr. Howe (Port Arthur): That is bad.

Mr. Drew: May I hear what was said?

Mr. Howe (Port Arthur): I say that is bad according to your views.

Mr. Drew: No, that is untrue, utterly untrue. That is another typical misrepresentation by the Minister of Trade and Commerce.

Some hon. Members: Hear, hear.

Mr. Rowe: And all the rest of you over there.

Mr. Drew: I am glad he has made that statement in front of me so I may brand it as a falsehood to his face.

Mr. Howe (Port Arthur): I shall quote your Hamilton speech before we get through.

Mr. Drew: The Minister of Trade and Commerce—

Mr. Rowe: You never read it. You just misrepresented it.

Mr. Drew: —apparently has been telling some people about that speech as well, I would gather from some of the things that have been said publicly on different occasions, and telling them inaccurately as is his custom. I would point out that in that Hamilton speech to which he refers I emphasized my belief that we should assure full protection to United States investment in this country but that I did not think it was anti-American for Canadians to show some concern about their own resources and their own welfare in the years ahead.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Chairman, the Minister of Trade and Commerce in his scornful reference to Mr. McMahon today says that Mr. McMahon never disclosed his definition of "Canadian". Mr. McMahon knows what a Canadian is. Perhaps that is what is wrong. He is a Canadian, born in Canada. He can define what a Canadian is by everything associated with his own life. He does not need any artificial definition of the word "Canadian".

Mr. Pickersgill: Some baby!

Mr. Hees: Well, if it isn't fisherman Jack.

Mr. Drew: It is worth while to have some lighter interjections in this debate by such comments as that just made, but this subject is not one that invites levity when you realize what the government is doing in handing over control of one of our greatest natural resources to investors outside of Canada.

Mr. Murphy (Lambton West): He will start braying pretty soon.

Mr. Drew: Just whom is this government trying to fool or, shall we say, whom is the Minister of Trade and Commerce trying to fool?

Mr. Dickey: Nobody.

Mr. Drew: On the one hand, he came forward the other day with a great show of boastfulness when he talked about what the government was willing to do and got some applause from some of his supporters when he talked about the possibilities of development under public ownership. He backs away from that today. He tells us today that he does not know of any case where there has been successful operation by a government of a gas pipe line. Of course he admits that he might be prepared to consider it if all else fails.

But I was interested in the fact that this was thrown forward as more than a casual remark. Just whom is he trying to fool? Trans-Canada Pipe Lines? His associates in the government? His supporters? I agree with the hon. member opposite who said he cannot fool anybody. In the end I think everybody will come to that conclusion. Nobody is being fooled by this pretence now before us. This is a sell-out under the power of the government. We were told on different occasions that Canadians could not finance this project. Just today we have been told of the reluctance of Canadians to support this venture. Well, Canadians are going to be

forced to finance it. That is what the government is doing. Canadians are going to finance it, and then if Trans-Canada Pipe Lines are able for the first time to carry out one of their undertakings they will be in a position to benefit from the investment of Canadians. It will not be the Canadian investor who will benefit. Canada, through the agency of this government, will put up the money, and then an organization owned in the United States to the extent of 83 per cent is going to get the benefit of the Canadian investment. The Minister of Trade and Commerce cannot fool us on that.

The minister came back again today to that fraud about the 51 per cent being offered to Canadians. There is no such provision. The agreement is clear on that point. It is obvious from some other public statements that have been made that others have been misled by the statement of the minister in that respect. There is no assurance whatever of Canadian control of this company, and there is not a chance that there would be Canadian control.

When we speak of control we have made it clear that we are not suggesting for one moment that we do not welcome investment. On the occasion when the Minister of Trade and Commerce introduced this motion I then, in response to an interjection by one of the Liberal members, referred to the Canadian Pacific Railway. I pointed out that in the case of the Canadian Pacific Railway most of the money had come from outside Canada, in that case from Great Britain. In so far as investment from the United States is concerned, we welcome that investment and, as a matter of fact, when the Minister of Trade and Commerce makes the statements he does about my being opposed to investment from the United States he knows there is not a word of truth in them.

Some hon. Members: Oh, oh.

Mr. Drew: He knows that perfectly well because he remembers that when I was head of the government of Ontario I was effective in bringing into this country very considerable investment from the United States, with the result that new towns have grown up along the north shore of lake Superior where pulp and paper mills are operating today.

Mr. Rowe: Right near his own riding.

Mr. Drew: It is close enough to his own home for him to know what the facts are. He knows what the facts are and he knows perfectly well where that investment came from.

Mrs. Shipley: Will the Leader of the Opposition permit a question?

Mr. Drew: Certainly.

Mrs. Shipley: I should like to ask at what specific time the Minister of Trade and Commerce ever said or implied that the offer of 51 per cent of the stock to Canadians would guarantee control.

Mr. Drew: The minister again today repeated the statement that 51 per cent would be offered in Canada, and I repeat that is not so.

Mrs. Shipley: I refer to the guarantee of control that you just mentioned.

Mr. Drew: Mr. Chairman, the hon. member is adding a statement that was not made.

Some hon. Members: Oh, oh.

Mr. Drew: I have repeated again that the minister has repeated his statement that there is an assurance that 51 per cent will be offered to Canadians, and there is no such assurance; and I repeat—

An hon. Member: You just said it now.

Mr. Drew: Mr. Chairman, the Minister of Trade and Commerce has placed clearly on record what he said and it is wrong, and the inaccuracy has been repeated again today. This proposal before us is certainly as neat a piece of juggling as we have seen in this house.

I hope the minister will reconsider his decision to have closure tomorrow; I hope the minister will reconsider his decision to apply the guillotine, because we should like to hear from some of the ministers opposite as well as the Prime Minister. I should like to hear the Minister of Mines and Technical Surveys tell us about how ardently he supported this proposal when it came out. I should like to hear from the Minister of Transport the extent to which he expressed his belief that this was a good idea. Of course this matter might well be under the Department of Transport, because it is transport. I should like to hear from the Minister of Finance just how enthusiastic he is about this proposal. I should like to hear from him how well he likes the idea of Canadian taxpayers' money being put up to assure the control of one of our greatest resources by investors in the United States.

Mr. Howe (Port Arthur): We should like to hear from the hon. member for Calgary South.

An hon. Member: We should like to hear from the premier of Ontario.

Mr. Drew: We should like, first of all, to hear from the Prime Minister, and I trust that we shall hear from him. We have a right to hear from him, because after all it was a statement of the government that this measure

was going to be introduced in its original form, a form he told us last July he did not like. Now we have a new form, a much more objectionable form, and we certainly are entitled to an explanation by the Prime Minister as to why this measure is before us in its present form.

But let us go back to the statement by the Minister of Trade and Commerce in trying to compare with others this undertaking where he juggles the funds of the crown corporation to be used for the building of the northern Ontario pipe line so that they are to be used for something entirely different.

Let us just examine this proposal. He compared it with the great venture of the development of the St. Lawrence. There is no comparison whatever. Canada and the United States are working in effective partnership on that project. Then some have compared this proposal with the great venture of the Canadian Pacific Railway. There is a great difference there. The one thing Sir John A. Macdonald was at all times determined would not happen was that the Canadian Pacific Railway would be tributary to the United States or United States interests. He was determined that it would be a Canadian venture for the benefit of Canadians and that it would not funnel our resources into the United States as will this venture which has been the result of the shotgun marriage performed by the Minister of Trade and Commerce. There could not possibly be a greater contrast between two enterprises than between the development of the Canadian Pacific Railway—that great Canadian venture under the guidance of Sir John A. Macdonald—and this shabby sell-out to interests in the United States at the expense of the Canadian taxpayers.

Mr. MacDougall: That is for you to prove.

Mr. Drew: Mr. Chairman, I shall be continuing my remarks after the six o'clock recess, but before then I want to make one thing perfectly clear. This well-trained noise and intervention by hon. members on the opposite side—

Mr. Knowles: On which there is no closure.

Mr. Drew: —and the organized applause of statements of the Minister of Trade and Commerce upon which there is no closure certainly will not deter us in any way from asserting our position. We have heard the boasts of the Prime Minister and his supporters about the support they have in the country. Very well. Let them test that support.

Mr. Rowe: Hear, hear.

Mr. Drew: The people of Canada have had no chance to assert an opinion in regard to this matter.

Mr. Rowe: You can't put closure on them.

Mr. Drew: The people of Canada are still in a position where this government cannot invoke closure in their case. The people of Canada are still free to assert their opinion. Let it be remembered that when the C.P.R. was under development the people of Canada did have a chance to express their opinion, and they expressed it in no uncertain manner because they knew it was a Canadian venture.

An hon. Member: They threw the Tories out.

Mr. Drew: It was started by Sir John Macdonald. Sir John Macdonald spoke on behalf of that venture as I hope the Prime Minister of Canada today will speak with regard to the measure that is now before us.

The Deputy Chairman: Order.

Mr. Drew: We have heard many of these boasts from the opposite side. Let us have a test of their vaunted courage.

The Deputy Chairman: Order. It being six o'clock I do leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Drew: Mr. Chairman, the unusual procedure followed by the government today in indicating closure tomorrow gives a different direction than might otherwise have been the case. As I had occasion to point out earlier, this subject was first placed before members of parliament on January 10. We waited until March 15 for the subject to be brought forward by the resolution which now stands as No. 12 on the order paper. There was one day's debate on that resolution to set up a crown corporation. We had waited since then until May 14 for the new resolution to be brought forward. The opposition has indicated over and over again that it wished to discuss this subject. It has sought information. By questions it has tried to find out what was going on. It is true that there have been procedural discussions based on various questions that have been raised and also on the formal introduction of the motion, but this is the first day in a session of over four months that we have even been seized of the motion which is now under discussion.

There is no precedent in our parliamentary records for the course which is now to be

followed. Not only was there haste in indicating closure on the very proper discussion as to whether it is or is not advisable that this form of measure be introduced, but even before the minister who introduced the motion had completed his first speech on the motion he indicated that debate is to be terminated.

Closure has taken place in this house before. It was first applied in the discussion of the navy bill in the session of 1912-13. That bill was introduced on December 5, 1912. Those who have followed the history of our parliament will recall that there was a prolonged debate carried on most vigorously on both sides, and closure was applied only on April 10, 1913. Then in 1917 there was a bill guaranteeing certain Canadian National Railway bonds. In that case closure was applied on third reading and only on third reading, after the whole processes of debate had been exhausted in the ordinary way.

Again in 1917, closure was applied on second reading of the wartime elections act, and later in the committee stage and on third reading. In the first session of 1919 the Canadian National Railways bill was before the house and closure was applied after there had been a full discussion on the second reading stage and in committee of the whole. Again in 1921, on an interim supply motion, closure was applied when it was made clear that the opposition was not going to allow it to go through. Again in 1926, in the debate on the address, there was closure. In 1932 closure was again moved. In that instance it was moved after there had been considerable debate.

An hon. Member: What was the subject?

Mr. Drew: The subject was a very interesting one, I am sure, to the hon. member. It was unemployment relief. The unemployment relief bill had been introduced by the Bennett government and at that time it was being opposed by the Liberal party.

Mr. Lesage: Twenty cents a day.

Mr. Rowe: Your party would not give them a 5-cent piece.

Mr. Lesage: Twenty cents a day.

Mr. Rowe: You would not give them five cents.

Mr. Hamilton (York West): One at a time.

Mr. Brown (Essex West): Blast your way into—

Mr. Drew: I have mentioned this, recognizing that closure has been applied in this house as it has been applied at Westminster under certain circumstances. But there is no single case where a minister has come forward in the very initial stages and said: "We place before you the proposition that it is expedient that this bill be introduced and we are going to move right away to stop any debate on this subject".

Mr. Robichaud: After seven votes.

Mr. Drew: I hear an hon. member opposite say after seven votes. If the hon. member was in the house—

Mr. McIlraith: He was.

Mr. Robichaud: And voted seven times.

Mr. Drew: —he knows perfectly well that those votes were not taken on this motion.

Mr. Lesage: It was obstruction.

Mr. Rowe: He never noticed that.

Mr. Drew: I think some of the hon. members opposite—

Mr. Robichaud: Taken to prevent debate.

Mr. Drew: —have been unaware of what has taken place.

Mr. Rowe: They usually are.

Mr. Hees: They just do what they are told.

The Chairman: Order. I must remind hon. members that the Leader of the Opposition has the floor and he may not be interrupted without his consent.

Mr. MacDougall: The Leader of the Opposition himself is laughing at that one.

Mr. Drew: Mr. Chairman, I am in the fortunate position where I shall be able to make my point without being forced to proceed with any haste, just in case any of the hon. members opposite may not be able to hear me. Should it happen that at any time I feel they are not likely to hear me I shall make appropriate pauses.

Mr. Dickey: The pause that refreshes.

Mr. Gardiner: You are preventing every other one from speaking.

Mr. Rowe: You have done all right; you have put on closure.

Mr. Drew: The Minister of Agriculture, the expert on *Hansard*—

Mr. Gardiner: He will be on *Hansard* a long time after you are forgotten.

Mr. Drew: —has just made an interjection which I have no doubt will not be expurgated in this instance; but he has interjected the remark that I am making it impossible for others to debate. I am not making it impossible for anyone to debate.

Mr. Gardiner: The longer you speak the fewer people will be able to speak.

Mr. Drew: I am sure the Minister of Trade and Commerce will be able to persuade the Prime Minister to withdraw the guillotine and permit continued debate on this very proper motion now before the house.

Mr. Hees: They do not talk much.

Mr. Drew: In any event, there is going to be the opportunity tomorrow before the guillotine falls for those who wish to do so to express their opinions and I, of course, am counting on hearing from the Prime Minister at that time. I would not for a moment follow a course that was going to deprive us of that opportunity.

Mr. Gardiner: That is what you were just threatening to do, waste time.

Mr. Drew: No, Mr. Chairman. As reluctant as I am to do so, I cannot help noticing the remarks of the Minister of Agriculture that I am trying to stop debate. Who introduced the closure motion? I think he must have been dreaming.

Mr. Gardiner: You did it last Thursday.

Mr. Hees: He was not in the house.

Mr. Gardiner: Yes, I voted on all those occasions.

Mr. Fulton: Back in 1917.

Mr. Drew: There was no closure motion, and there was and is a full opportunity for every member of the government to have his say in an orderly debate in regard to this subject.

Mr. Rowe: Not now.

Mr. Drew: And I certainly would hope that the Minister of Agriculture would avail himself of the time that may present itself this evening to persuade the Minister of Trade and Commerce to permit him to tell us just why he was so keen on this strange new device.

Mr. Gardiner: I will tell you a lot of other things if I get up.

Mr. Drew: Well, Mr. Chairman, every one of us knows the minister would talk about a lot of other things, because he never talks about the thing that is on the order paper when he does get up.

Mr. Pickersgill: This is certainly an example of the pot calling the kettle black.

Mr. Gardiner: I usually keep in order, in any event.

Mr. Rowe: You keep in order but you do not get in order.

Mr. Drew: We will let *Hansard* speak as to that. What would be interesting, though, would be to hear the Minister of Agriculture get up and explain exactly why he thinks the government should transfer funds that were to be allocated to a crown corporation set up for the purpose of building a northern Ontario pipe line—

Mr. Gardiner: You tell us why it shouldn't; you have the floor.

Mr. Drew: —to the Trans-Canada Pipe Lines for the construction of the western segment of that line. I would like the Minister of Agriculture to get up and explain how he reconciles that with the refusal of this government to spend the money that is necessary on the South Saskatchewan river dam, to give some assistance to his own province. The Minister of Agriculture has been dangling that bait before the people of Saskatchewan for several elections, but he has not been as successful in forcing his ideas through the government as has the Minister of Trade and Commerce.

An hon. Member: He is losing his grip.

Mr. Drew: There are some of us who do not live in Saskatchewan who believe that the South Saskatchewan dam and irrigation project is long overdue.

The Chairman: Order. I am sure the Leader of the Opposition would agree with me that a discussion of the South Saskatchewan dam is not in order under this resolution which has to do with pipe lines, and I would ask him to co-operate with me in that respect.

Mr. Drew: Oh, Mr. Chairman, it might easily be very important, because if the Minister of Agriculture were as successful in persuading the government as the Minister of Trade and Commerce has been, who knows but that the power developed by the South Saskatchewan dam might be used for some of the operations of the pipe line that will be passing through Saskatchewan? Oh, no; it is quite possible that the two might be complementary.

In any event, we have on the one hand the mad haste of this government to end the debate even before it has started—

An hon. Member: You call this a debate?

Mr. Drew: —and to deny to the people of the minister's own province consideration by the government in regard to something which the people of that province feel is just as important as this venture that is now being undertaken. I am glad the Minister of Agriculture has shown this interest, and I hope there will be an opportunity to hear from

him at some later stage during this debate an explanation of his support of this project.

Now, Mr. Chairman, had it not been for this utterly unprecedented foreclosure of debate—and I use the word foreclosure advisedly—

An hon. Member: They will do it four times.

Mr. Drew: —because this is an attempt to mortgage the rights of free speech in this house without the opportunity of redemption; because of that course I find it necessary to review at greater length than I had intended some of the proceedings that have taken place and which should be on record before the axe falls.

We have come today to another stage, and only another stage, of the twisted and devious dealings of this government in connection with the building of the gas pipe line from Alberta to Montreal. At no stage of these proceedings right up to and including today has the government been frank with the members of this house. At no time has that lack of frankness been so conspicuous as it was today.

This session began with the statement to the members of this house that there would be the construction of a line across northern Ontario to connect the lines in western and eastern Canada. May I recall to hon. members the exact words that were used in the statement by the government right in the speech from the throne. Trans-Canada was, and I quote the words, "to build connecting lines in western and eastern Canada". Then this northern Ontario bridge was to connect them.

Where has any of that construction gone ahead? Where is there any suggestion of it going ahead? We have been waiting for a long time to see some evidence that it would go ahead on the basis of the completely unqualified undertaking given by Trans-Canada Pipe Lines when they were incorporated five years ago. There was no possible justification for the course originally indicated in the speech from the throne. We made that clear when this came up on March 15; but if that was unjustified, what is to be said of this weird proposal now before us?

Let us recall the agreement that was made available to the members of this house at the beginning of this session. On January 11 an agreement between the government of Canada and Trans-Canada Pipe Lines was made available to hon. members of this house. These words appeared in the preamble:

> And whereas Trans-Canada proposes to construct between October 1, 1955, and November 1, 1956 a 34-inch pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, Manitoba, with a lateral line from the vicinity of Winnipeg to Emerson, Manitoba, and a 24-inch pipe line from Sheridan to Brooklin, Ontario, and a 20-inch line from Brooklin to Ste. Anne de Bellevue in the vicinity of Montreal, Quebec, with a lateral from Morrisburg to the vicinity of Ottawa, Ontario;
>
> And whereas Trans-Canada proposes to construct between October 1, 1955 and November 1, 1957 a 30-inch pipe line from the vicinity of Winnipeg, Manitoba, to the Manitoba-Ontario border, and from the vicinity of Kapuskasing, Ontario to Brooklin, Ontario;
>
> And whereas Trans-Canada proposes to arrange for financing of all its costs and commitments in connection with the said program of construction prior to May 1, 1956;
>
> Now therefore this agreement witnesseth
>
> 1. Trans-Canada will diligently take steps to secure all necessary financing, materials and supplies for and, having obtained same, will carry out the aforesaid program of construction and particularly will cause to be constructed in conjunction with the construction of the said northern Ontario section of the said all-Canadian pipe line the portions thereof from the vicinity of Winnipeg, Manitoba to the Manitoba-Ontario border, and from the vicinity of Kapuskasing, Ontario to Brooklin, Ontario, so that all portions of the said pipe line to be constructed by Trans-Canada will be ready for operation at the time of completion of the northern Ontario section.

All the conditions now present were known at the time the agreement was tabled on January 11. The difficulties of obtaining permission from the federal power commission in Washington were fully known, just as fully known as they are today. Trans-Canada has failed in the basic undertakings upon which the whole agreement was predicated. The Minister of Trade and Commerce says that Trans-Canada has all the factors other than money. They have the desire, but not the money. So the government is going to provide the money, the taxpayers' money of course. Trans-Canada has all the factors other than the money.

What was the reason Trans-Canada got the franchise in the first place? It was because they had the money. That was the reason, not because the government liked the colour of their eyes or their names. All the fondness for some of these individuals that has been displayed by the Minister of Trade and Commerce would hardly indicate any explainable reason why they got these special concessions.

We are now presented with a new agreement extending the earlier agreement and proposing something so foreign to every assurance given by Trans-Canada Pipe Lines in the first instance that it is extremely difficult to believe we are dealing with the same organization when we discuss this subject.

What is now proposed is that we go through the form of approving the creation of a crown company to build the northern Ontario

bridge. That is not what we are actually considering, of course, under this new proposal. What we are actually considering is a double shuffle by which the government goes through the motions of setting up a crown corporation, asks parliament to authorize the advance of $130 million and then makes the further provision that from that $130 million $80 million may be advanced, not by the minister as he said this afternoon but by the crown corporation to Trans-Canada Pipe Lines, for the construction of part of the western line. That is what is being done.

In the very process of advancing that $80 million they deny themselves the possibility of constructing the northern Ontario pipe line because they will not have the money to do it. That is the situation. Of course we know perfectly well what would happen. We would be asked for another concession at some future date. Remember, this is not the whole pipe line to tie up with the northern Ontario pipe line. This goes as far as Winnipeg, so there is left a stretch of 110 miles. What is the government going to do about that? Trans-Canada has everything but money, so when the 110 miles are to be built doubtless they will come back for money again. I wonder what patriotic appeal the Minister of Trade and Commerce will make at the time that application is before us.

No, this proposal is one that defeats the intention of the original resolution. This proposal is one that takes away money needed for the northern Ontario line. In spite of anything that may be said inside this house or outside of it, what is now proposed delays the construction of the northern Ontario pipe line.

Before we proceed further let me refer to the reasons I have indicated for hearing from the Prime Minister. We have a right to know just exactly why the government even goes through this pretence. Why does the government not simply ask for the authorization to advance money for the construction of the pipe line from Alberta to Winnipeg? Why go through this mumbo-jumbo of setting up a crown company and then authorize that crown company to do something that is not contemplated in its declared purposes, advance money for the construction of a pipe line in another part of Canada?

According to the government, the reason for the setting up of the crown company in the first instance was that this was a difficult venture. We were told that this presented the same difficulty that the C.P.R. had had to overcome, but that problem was faced with courage by Sir John Macdonald and that railroad was completed under private enterprise without any double dealing of this kind.

In this particular case they cannot even follow the normal method for building the easiest part of the whole line from the Alberta boundary to Montreal. Of the whole line this is the easiest part and they cannot finance that, though in the first instance they were going to finance the whole thing. When we are confronted with this it becomes necessary, unwilling though we may be to take the time to do it, to review the grounds upon which Trans-Canada Pipe Lines got this authority. Even if it is necessary to repeat some of the things that have been said, that must be done to keep the context of the record in such shape that no one will be under any misapprehension as to why this chosen instrument of the government is in this peculiarly favoured position at the present time.

Trans-Canada Pipe Lines came before this house in 1951, as I pointed out earlier today. They undertook to build the line without government assistance. There was no suggestion that money would be put up by the people of Canada. When the matter was before the house the house was told that this would be done without any financial assistance from the government. One of the things it is essential to remember is that when Trans-Canada Pipe Lines was incorporated it was incorporated for the purpose of building a line entirely within Canada and simply for the supplying of gas within Canada itself. The government must accept full responsibility for the support of that proposition at that time. Export only came later after the shotgun marriage. Up to that time the whole proposition had been one that was based upon the sale of gas in Canada.

Therefore we have an entirely different situation today, and one which raises many issues. What has come up today and what is now proposed raises a number of issues which should be borne in mind by the members of this house as well as the people outside. First is the authority of parliament itself, challenged as it has been in such dictatorial manner by the threat of closure at this stage of the discussion of the motion.

Second is the fact that Canadian taxpayers' money is to be used to finance the venture, of which 83 per cent is owned in the United States by United States gas interests whose primary concern is the sale of gas in the United States at the lowest possible rates to the United States consumers.

Third is the fact that a bad proposal which the Prime Minister said last July he did not like has been made unbelievably worse.

Fourth is the delay in proceeding with the venture. The government has had five years to arrange the details, and now with a deadline of June 7 parliament is confronted on May 14 with a new and strange device without precedent in the history of the Canadian House of Commons.

Fifth is the refusal to let Canadians have a chance. At least two very responsible Canadians have made proposals at a time when Trans-Canada Pipe Lines was in default. It is certain that if the extraordinary terms now suggested had been known publicly, many Canadians would have welcomed those terms.

Sixth is the fact that although we were told that Canadians could not finance this venture, it is now clear that Canadians are going to be called upon to finance the whole venture and turn over the benefits to an organization owned by United States investors to the extent of 83 per cent.

Seventh is that the present proposal assures no continuing pipe line into eastern Canada, and instead of expediting the construction of the line that will bring gas to eastern Ontario and Quebec, it merely constructs that part of the pipe line which will assure the facilities for export to the United States.

Eighth, and perhaps most important, is that the government proposes to use Canadian taxpayers' money to hand over control of one of our basic resources to gas and financial interests in the United States whose main concern is the gas market of the United States and not the sale of gas in Canada or the welfare of the people of this country.

There are other issues which arise, but there are eight clear issues which arise out of what has come before us. Canadians were not given the chance. Does the Minister of Trade and Commerce, does the Prime Minister, or does any member opposite suggest for one moment that if a public statement had been made that anyone who undertook this venture was going to get 90 cents on the dollar of the taxpayers' money to finance it, there would not have been a rush of Canadians asking for the chance to build this pipe line? Are we so devoid of initiative as a people, are we so completely incapable of undertaking great developments, that Canadians would not have welcomed a chance of that kind? Of course the answer is no. On all sides we see Canadians who are carrying out great developments.

We are told over and over again that while there is considerable investment from outside of Canada in this country, some 83 per cent of the capital invested in Canada since the war has come from Canadians. That is true, but the trouble is that a very large part of that 83 per cent is in static developments like houses, factory buildings, highways, power plants and things of that kind, but the use of resources and the opening of new ventures has very largely been the result of investment from outside Canada.

One of the reasons so much capital from outside of Canada has gone into those investments, while Canadian capital has been going into what might be regarded as more secure ventures, is that the tax policies of this government favour foreign operators as against Canadians. This government well knows that foreign operators competing in Canada against Canadians are allowed a higher write-off on their capital possessions, are allowed favourable tax considerations, which place those people from outside of Canada at an actual advantage here in Canada as against Canadians trying to do the same job. This government has actually been helping people outside Canada not merely to invest in Canada but to take work and business from Canadians by their unfavourable tax legislation. No, this is something in which Canadians would have welcomed the opportunity.

Then again, we are told about the need for haste, that we cannot even wait beyond tomorrow to have this resolution dealt with. We have been waiting for over five years and, as far as this session is concerned, we have been waiting for over four months. Now for the first day we have this motion before us, and we are told that this will be our last. That is just how urgent this was. Of course, the deadline is June 7. What humbug! Does anybody think for a moment that June 7 will be the limit if the debate is not completed by that time? These people are getting the money. You can just see them waiting to get it.

Mr. Fraser (Peterborough): With their tongues hanging out.

Mr. Drew: Their tongues are hanging out. Their pockets will be hanging out, as far as Canadians are concerned, if this goes on. But in the meantime let nobody be impressed with these artificial deadlines. This government has had this in its hands for over five years, and it is to be hoped that no hon. member in this house and no Canadian outside it will be impressed by this bogus haste that is now put before us.

An hon. Member: Mr. Frost.

Mr. Drew: Let us also hope, in spite of some of these interjections, some of which I have no doubt *Hansard* cannot quite get, that we

will not hear any more twaddle about the opposition being opposed to investments from the United States.

Some hon. Members: Oh, oh.

An hon. Member: What, again?

Mr. Drew: It would not have been quite right if the anvil chorus had lacked the voice of the Minister of Trade and Commerce. It did not in that case, because I heard the Minister of Trade and Commerce giving the lead to the senseless noise that was made just now when I said those words. No, the Minister of Trade and Commerce knows perfectly well that any suggestion that we have opposed such investment is utterly untrue and deliberately untrue.

Some hon. Members: Oh, oh.

Mr. Drew: No well-informed Canadian is unaware of the fact that this country has been dependent upon outside investment, not only from the United States but from Britain and from other countries as well. We are not talking about investment from the United States on this occasion. We are talking about investment of Canadian money, the Canadian taxpayers' money, in a venture which is then to be handed over to United States control by this government. That is what we are talking about.

An hon. Member: Unquote.

Mr. Drew: Once again may I ask if any of the members of this house, in spite of the sounds they think it is appropriate to make under the circumstances, really think that any such proposal as this for the advancing of United States funds to finance a similar Canadian venture in the United States would even be heard on the floor of congress in Washington? Even the loudest and noisiest of the members opposite knows perfectly well that any such proposal before the congress of the United States would be greeted with laughter that would be heard by the Americans on the D.E.W. line in the north.

Mr. Rowe: It would not even be heard on the streets of New York, let alone in congress.

Mr. Drew: I have said that the first issue raised is the authority of parliament itself, and that is before us in all its reality. Every hon. member knew that the agreement with Trans-Canada Pipe Lines called for the completion of its financing by April 30. Certainly it was of the utmost importance to the members of this house, and particularly to the government, that any alternative proposal should be made known and given consideration.

The Minister of Trade and Commerce has gone out to find the McMahon letters now.

Some hon. Members: Oh, oh.

An hon. Member: That is pretty cheap.

Mr. Hees: Let us know if you find them.

Mr. Drew: I hope he will find them, and I hope he will find the replies he sent to Mr. McMahon. We would have liked to have that information, and I think the Prime Minister might have liked to have it.

Mr. Rowe: The Minister of Agriculture would have liked to have it too.

Mr. Drew: Nevertheless, in answer to a direct question in regard to proposals from Mr. Frank McMahon of Calgary—

An hon. Member: Who is he?

Mr. Drew: I hear from someone opposite, "Who is he?" Ask the Minister of Trade and Commerce. He has been dealing with him for some time.

Mr. Rowe: Does he not tell you anything?

Some hon. Members: Oh, oh.

Mr. Drew: The Minister of Trade and Commerce—

Some hon. Members: Ask Frost.

Mr. Rowe: Does he not tell you anything at all?

Some hon. Members: Ask Frost.

An hon. Member: You had better brighten up.

Mr. Rowe: Has the minister told you?

The Chairman: Order. May I remind hon. members once more that it is very difficult to hear the hon. member who has the floor unless they give him complete order.

Mr. Drew: Mr. Chairman, I shall do my best to make sure they hear me. I assure you I shall pause an adequate length of time so that my remarks may be heard.

An hon. Member: Until ten, George?

An hon. Member: You are going to pause after the next election too.

Mr. Rowe: You just pause naturally for noise. You have nothing else to contribute.

Mr. Drew: Actually it is restful to have these pauses once in a while, Mr. Chairman.

Some hon. Members: Hear, hear.

Mr. Drew: In answer to a direct question in the house the Minister of Trade and Commerce said that he had no written communications from Mr. McMahon. I think we are

still owed an explanation by the Prime Minister with regard to that statement, which was incorrect and which deserves an explanation in the house.

An hon. Member: It was private and confidential.

Mr. Drew: Later it turned out that in addition to personal discussion of the subject on different occasions, not just on March 27, Mr. McMahon had written to the Minister of Trade and Commerce on April 4, on April 16 and on April 24, making the most positive proposals.

Some hon. Members: Oh, oh.

Some hon. Members: Ask Frost.

Mr. Drew: May I suggest to some of the hon. members that they get a copy of the correspondence and read it so they may find how positive these proposals were. May I remind them also, as I have on earlier occasions, that the man we are discussing is the only Canadian who has yet organized and financed a gas pipe line in Canada, and he has done so successfully. May I also point out that his undertaking was sufficiently positive that he gave an unqualified undertaking to post a $500,000 personal bond for the fulfilment of that undertaking.

Some hon. Members: Oh, oh.

Mr. Drew: I hear laughter.

An hon. Member: He withdrew after that.

Mr. Drew: The Prime Minister suggested that this was not such a very large sum in relation to such a big venture. It was just exactly $500,000 more than anyone connected with Trans-Canada Pipe Lines has pledged in connection with the line.

An hon. Member: That is not correct.

Mr. Dickey: They are pledging $15 million.

Mr. Rowe: What's a million to your crowd anyway?

An hon. Member: Here comes "what's a million" Howe.

Mr. Drew: The nature of the communications makes it perfectly clear that they were not private and confidential, no matter what appeared on the letters.

Some hon. Members: Oh, oh.

An hon. Member: That is the way you treat it.

An hon. Member: It would not be to you.

Mr. Drew: I hear the Minister of Trade and Commerce, who has just returned, say "It would not be to you".

Mr. Howe (Port Arthur): I did not say anything of the kind.

Mr. Drew: I am told it was one of his supporters who made the statement. It was one of the parliamentary assistants who made it. The fact is that these were not private and confidential. No writing of "private and confidential" on them could make proposals to a member of the government anything but public proposals, and no one knows that better than the Minister of Trade and Commerce. In any event, if he felt himself under any such limitation his duty then was to do what he did on May 3 and ask for the withdrawal of any limitation. He knew he could get it. He got it very quickly on May 3.

Mr. Howe (Port Arthur): I received lots of withdrawals.

Mr. Drew: Oh, yes, the minister got a lot more than a withdrawal. He got Mr. McMahon out of the way as well.

Some hon. Members: Hear, hear.

Mr. Drew: It was the duty of the Minister of Trade and Commerce, if he felt he was under any limitation, to communicate with Mr. McMahon, who had demonstrated his ability in this field, and tell him that these were communications to a government. Of course, as far as that is concerned, they had not been kept private and confidential. The minister had officials of his department in on the discussions. This matter had not been private and confidential. It was in the press.

An hon. Member: You had a copy?

Mr. Drew: It was being discussed by everyone except the Prime Minister, who did not know about it. This was public knowledge. It is certain that at any time the minister could have had that undertaking removed, just as he so successfully did on May 3.

But there is a good deal more to this than the contempt of parliament displayed by the reply of the Minister of Trade and Commerce which was so contrary to the truth. At the very time these discussions were taking place and the Minister of Trade and Commerce was receiving positive proposals, the government was considering the fact that Trans-Canada Pipe Lines was not going to be in a position to carry out its undertaking. Surely that was a time when the Prime Minister should have been informed that a man who had had some experience in financing pipe lines was asking for the opportunity to take some part in this venture, at a time when they were discussing new arrangements. That was the very time he should have known. Yet we have the strange situation that although the government were meeting

almost daily in council the Prime Minister was not informed about these positive proposals, although a new arrangement with Trans-Canada was then under discussion. I am not arguing on behalf of any individual or any company.

Some hon. Members: Oh, no?

Mr. Drew: I do say that there were two proposals put forward by two responsible Canadians, and that those or any other proposals deserved the attention of the government at a time when it was extending earlier agreements and particularly at a time when it was considering the possibility of asking parliament to put up the Canadian taxpayers' money to finance an undertaking which would hand over the control of one of our greatest resources to a company which is now owned to the extent of 83 per cent by investors in the United States.

I have no way of knowing what the discussions were that took place with the Minister of Trade and Commerce. I do know that Gairdner and Company, who made one of the proposals, are a very responsible financial organization. I do know that it was an organization sufficiently responsible that this government sought its voluntary services during the critical days of war in very important activities. I know that their proposals, whatever they were, whether they were proposals which should or should not have been accepted, deserved consideration. In fact I think proposals from any responsible Canadian at a time when the whole thing was in the air certainly deserved consideration, and that we as well as the Prime Minister had a right to know something about them. For all we know there may be other proposals which the Minister of Trade and Commerce is keeping to himself.

But certainly the proposal of Mr. Frank McMahon deserved consideration, whether that consideration would have led to a favourable or unfavourable decision from his point of view. I say that simply because he is a man with experience in that field and had set out to the government in detail where he was going to get 34-inch pipe this year, where he was going to get 30-inch pipe next year and the 24-inch pipe as well. The Minister of Trade and Commerce has said nothing which in any way challenges the accuracy of this statement.

An hon. Member: Oh, yes, he has.

Mr. Drew: Mr. McMahon had that experience. Mr. McMahon had lived up to some of his undertakings. I think also when we are told about the formidable barrier through northern Ontario, most people who have seen them will agree that the Rocky Mountains present just as rugged a barrier as do the stretches of northern Ontario. That was carried out by private investment. To those who still are following the instructions given in caucus last Wednesday about the way in which they should applaud the Minister of Trade and Commerce—

Mr. Fulton: Last Tuesday.

Mr. Drew: —or last Tuesday, may I tell them just how positive some of those statements were in case they have not read them. The opening paragraph of Mr. McMahon's memorandum of April 4 to the Canadian government indicates clearly that this was no casual and general discussion. These were the opening words of that formal memorandum:

> 1. I will finance and construct an economically feasible gas pipe line from Alberta to Montreal and complete the same by 1958 without federal or provincial ownership or debt guarantee.

Whether or not that can be carried out, it was not vague and uncertain, and at least the man who was putting that proposition forward had enough confidence to undertake to put up a $500,000 personal cash bond. Mr. McMahon then goes on in that memorandum of April 4 to say that he would complete a 34-inch pipe line to Winnipeg by late 1956 or early 1957. That is the statement of the man who has done the organizing and financing of a gas pipe-line company and who knows more about it than does the Minister of Trade and Commerce, who pooh-poohed that suggestion today.

He also spoke of contracts for gas production and said their organization was in a position to put up $40 million to $45 million in equity capital and to arrange loans to provide for some $80 million required for the construction of a pipe line to Winnipeg. The Minister of Trade and Commerce brushed that off scornfully today. This is the man who did put up equity capital in the case of Westcoast Transmission, and who got a large and important investing organization in the United States to put up their money in the belief that it was a sound venture.

An hon. Member: American capital.

Mr. Drew: Certainly it was American capital, and it was very sound American capital coming in here under an organization which, contrary to this arrangement, retained control of the organization in Canada. That was a definite enough proposal.

Whether or not it was the best proposal, we do not know. The Minister of Trade and Commerce may have another one up his sleeve along with a letter from his sister. We do not know that. However, we know that he held one back, and we know that he has had two offers which should have been

discussed. It certainly was a proposal that, above all other times, should have received consideration before April 30. It certainly was a proposal that should have been indicated to this house as well as to the Prime Minister.

At the very beginning of this session, and several times since then, I have urged that this whole matter be referred to the standing committee on railways, canals and telegraph lines, which is the committee to which such matters are referred; or, if the government preferred a select committee to obtain all the facts, then that they appoint a select committee. If that had been done the facts would now be available. If that had been done we would have known of the McMahon proposal long ago. If that had been done we would have had a chance to have evidence before us prior to April 30, and so would the Prime Minister. We also would have been able to consider the Gardiner proposal. Furthermore, we could have considered any other proposals that would certainly have come before us if that committee had been set up for this purpose.

Perhaps once again we shall have some question raised as to Mr. McMahon's withdrawal. We all know why Mr. McMahon withdrew. He was warned off. That is the reason. That in itself should be a warning of the danger in the present situation, and the danger in the power exercised by the Minister of Trade and Commerce.

Mrs. Shipley: Prove that statement.

Mr. Drew: If there was one person who had a right to know about that proposal before any extension of the Trans-Canada Pipe Line agreement was completed, it was certainly the Prime Minister himself and the other members of the government associated with the Minister of Trade and Commerce. In fact, one thing about which this house deserves some information is why the Prime Minister showed so little interest in this subject. It is not only worthy of comment but it is worthy of explanation.

What we see disclosed here is personal government, one-man government; and it is time to mention something else that is raised by this fact. Centred in the hands of the Minister of Trade and Commerce are a number of activities that have no place in his department, and this is one of them. We have T.C.A. under his department when it should be under the Department of Transport. We have under his department other activities which should be in the hands of ministers whose responsibilities are associated with those activities. We have the Minister of Agriculture sitting silently by waiting for announcements by the Minister of Trade and Commerce with regard to the marketing of wheat, and so it goes. The great Pooh-Bah of the government has all these activities under his control.

Now that we have here an example of the unwisdom of centring these activities in the hands of one man who has so little respect for parliament, it would be a good time for the Prime Minister to consider the reallocation of activities under the proper headings of the departments themselves. This is personal government. The real head of the government decides when he will and when he will not inform his colleagues, let alone the members of the House of Commons. Having been denied the information to which we are entitled, we are now confronted with the suggestion that, bad though this proposal is, it demands our acquiescence because anything else would cause delay. If this is wrong, we have no right to expedite a wrong. We have no right to approve a wrong course with a gun at our heads, and we will not do so. If there is any delay, that delay is the complete responsibility of the government.

Perhaps the members of the government may say it is the responsibility of the Minister of Trade and Commerce. Certainly there are one or two of them who would do so. But the fact is that it is the responsibility of the whole government, and the Prime Minister is responsible for the operation of the government. The time has come for some insistence on the observance of the obligations of ministers in this house. The government knew last year that some new arrangements were going to be necessary. As reported at page 2165 of *Hansard* for this year the Minister of Trade and Commerce had this to say:

> After negotiations with the government of Canada and the industrial development bank, the company announced on March 17, 1955, that it had been unable to negotiate a type of financial assistance which did not result in an agency of the government of Canada being in a position to control the company, and that such an arrangement made it impossible for the company to purchase its gas requirements.

If that was clear in March of last year, what have we to say about the situation now? If control of the operation of the pipe line by a government agency was going to prevent financing then, what about today? The government has been dawdling along failing to come to grips with this subject for more than a year, and now it is suggested that we must agree to a proposal, no matter what it is, presented to us at this late date. Without any basic information through the ordinary channels of committee inquiry which are a part of our parliamentary procedure.

Northern Ontario Pipe Line Corporation

Since this proposal calls for financing with Canadian funds a venture that is controlled in the United States, surely it is necessary for us to examine carefully just what were the grounds upon which this company obtained its rights. On March 15 of this year, as reported at page 2164 of *Hansard*, the Minister of Trade and Commerce had this to say:

Hon. members will recall that in 1951 parliament enacted the original statute incorporating Trans-Canada Pipe Lines Limited. The original sponsors of this project believed that a pipe line designed to serve the Canadian market only was economically feasible and the statute of incorporation restricted the company to activity within Canada. Through the merger of the original Trans-Canada Pipe Lines Limited with Western Pipe Lines Limited in early 1954, the plan was broadened to include a substantial export of gas at Emerson, Manitoba, which was possible under the Western Pipe Lines charter.

Thus we see the statement of the Minister of Trade and Commerce that the charter and the franchise were obtained on the assurance that a pipe line entirely in Canada serving Canadians was economically feasible, and they were obtained on no other grounds. To use his own words: "The statute of incorporation restricted the company to activity within Canada". It was only three years after 1951, in 1954, that the two companies were merged. It thus becomes necessary, as I said before, to examine some of the details. The sponsor of the bill here in the House of Commons that incorporated this company said on February 27, 1951—and I am placing this on record again so it may be in the context of this story—as reported at page 736 of *Hansard*:

It is an all-Canadian route and, with the total volume of gas consumed in Canada, complete control will be ensured in this country.

It was with that assurance and with that understanding that this company was incorporated. The next stage was when the bill came before the standing committee on railways, canals and telegraph lines. Mr. Frank Schultz represented the company before that committee on March 6, 1951. In seeking the support of the committee for their proposal he had this to say:

The second consideration was that it should be an all-Canadian project, that it would be Canadian gas transported over an all-Canadian line, and that 100 per cent of the consumption would be in Canadian cities.

If anyone says today, "Oh, well, it is absurd to think that this could have been done", what he is really saying is that those people obtained a charter and a franchise on the basis of reckless statements they knew to be false. I do not suggest that for one moment. I feel sure that these men were speaking responsibly at that time. Certainly they were making definite enough statements.

Then again, before the same committee, the committee to which we have sought to have this subject referred during the whole of this session, the same Mr. Frank Schultz said on the same day, March 6:

You may be interested to know about the marketing situation. We are satisfied at this stage that adequate markets exist in the eastern part of Canada to consume all the gas that we can produce and move through this line.

Nor were these the only statements. Counsel for the company, also speaking before the committee, had this to say:

The relative ruggedness of the terrain between Kenora and Sudbury has given some people the idea that this project is a little bit difficult or even impossible, and for that reason we have today the engineer who made the survey on behalf of this company. I think he will be able to give you some enlightening comments on the type of country that these pipe line builders have met in other countries and that the shield country of Canada is not as formidable as we have been led to believe, largely because of going over it by train and plane.

Then Mr. Floyd Waterfield of the Pipe Line Engineering Company and the Oklahoma Contracting Corporation, a man of some 31 years experience in the field, had this to say, following the statement I have just read. These were his words:

So, everything being considered, that so-called south route as I have referred to it along the (great) lakes provided some quite difficult construction problems—but I have seen worse in our country in Pennsylvania. There are certain sections of that country which are difficult particularly across the Tuscarora mountains and in West Virginia. That is a pipeliner's hell there. So there is nothing in this pipe line construction that is insurmountable. It is just big. Some of it is going to be difficult construction but the average over-all cost comes to a very reasonable and reconcilable figure.

We see nothing of that in the statement of the Minister of Trade and Commerce today. Where was this easy construction that we heard about before the committee and in this house? Where was the certainty that this could be done without government assistance and without any outside financing other than private financing when this was before the board of transport commissioners? Oh, no; no difficulties at all. Everything was rosy, and that was the ground upon which Trans-Canada Pipe Lines got their right to proceed.

Then we know that as recently as last year Mr. Clint W. Murchison, who was writing—not "personal and confidential"—to the Minister of Trade and Commerce, on that occasion had this to say:

We first came into western Canada about five years ago and at that time we heard of pipe lines to Chicago, Minneapolis and other points south of the Canadian border. We immediately conceived the idea of an all-Canadian pipe line, knowing in the beginning that anyone would take the routes into Minneapolis and Chicago as being much more remunerative and easier to finance,

but feeling that the Canadian citizens were of such patriotism that they wanted a fuel system within the confines of their own boundaries to the extent that they would not be subjected to the vicissitudes of American politics. We frankly gave no serious thought to anything but the trans-Canada pipe line and tossed the other routes out as impractical in so far as it concerned the people of eastern Canada.

Nor was it Mr. Murchison alone who was so optimistic at that time. On March 13, 1953, as recorded at page 2929 of *Hansard*, we find these words of the Minister of Trade and Commerce. I want these words recalled in the light of the statement made today:

> Therefore the policy that has governed the export of electrical energy since 1907 must apply, within reason, to the export of natural gas. Canada has consistently refused to authorize firm contracts for the export of electrical energy, and this in spite of great pressure at times from producers of electrical energy. That consistent policy has paid large dividends to the Canadian economy, in that our sources of electrical energy have been preserved to our economy.

Then there is the even more important statement of the Minister of Trade and Commerce of last year. On March 8, 1955, just 14 months ago, he said; in a letter tabled in this house:

> All studies indicate that the line is capable of being financed privately and it has been decided to defer construction for one year and let matters take their normal course.

That was just over one year ago. Then we had this strange presentation made today without any apology, without any explanation of why a man who was so sure a year ago that this could be done by private enterprise without government assistance now finds that the governments must not only build the northern Ontario section, but must put up the money for the construction of the western section as well.

In the face of that statement made just over a year ago, how can this government come before the house and ask us to approve the strange proposal now placed before us, without this subject at least being referred to the appropriate committee of the house to obtain the facts which have changed the situation so dramatically since March of last year? Nor do we need to go back a year to see strange differences in the situation. When the Minister of Trade and Commerce was presenting the resolution for which this present resolution was substituted he had this to say, as reported at page 2165 of *Hansard* of March 15 of this year:

> After negotiations with the government of Canada and the industrial development bank, the company announced on March 17, 1955, that it had been unable to negotiate a type of financial assistance which did not result in an agency of the government of Canada being in a position to control the company, and that such an arrangement made it impossible for the company to purchase its gas requirements.

If that were so on March 15, what is the position of Trans-Canada going to be after June 7 under the arrangements now put forward? If there was any validity whatever in the statement of the Minister of Trade and Commerce on March 15, then what is now proposed would completely tie the hands of Trans-Canada Pipe Lines in regard to finance. Why, every stage that follows is one which defeats the very purposes that have been declared.

Then we also recall that in March of this year, when the building of the northern Ontario bridge was under discussion, the Minister of Trade and Commerce explained that the government had sought some reasonable proposal to lay before parliament which would bring about an early building of the line and assure that it would be privately owned. I quote from page 2167 of *Hansard* for March 15 of this year:

> Such a reasonable proposal has now been brought forward by Trans-Canada Pipe Lines Limited. This government is sufficiently impressed by its merits and prospects of success that it is prepared, subject to the approval of parliament, to enter into the construction and temporary ownership of a portion of the proposed pipe line.

That was on March 15. The rest was to be privately owned, and today we are told of this strange and extraordinary device. Surely there must be some explanations that have not yet been given. We know what will happen. We know that with the advance of the money for the western line the crown corporation will not have the opportunity to go ahead with its financing of other activities. Alice in Wonderland never produced anything stranger than the weird picture we have before us now.

The government tell us that they are not going to build the bridge; before, that was the important consideration. Suppose Trans-Canada builds the pipe line to Winnipeg; what happens after that? What happens to the line from Winnipeg to the Ontario border? What happens to the line from Kapuskasing to tie up with the Ontario arrangements? What happens to the other parts of the line? That we do not know, because the government have not let us in on the secret of their next step in this strange and tortuous operation.

There are a number of interesting features about this new agreement. The Minister of Trade and Commerce told us today that Trans-Canada Pipe Lines would have to put up a substantial sum of money before there was any advance. The agreement states that Trans-Canada is to expend $7,500,000 before there is an advance. Oh, but you would not expect anything to be all clear sailing in any agreement in this affair; and it isn't. It is not $7,500,000 they are going to spend; not at

all. The agreement states there is to be deducted from that $7,500,000, and regarded as part of the expenditure, any expenditure already made which could be properly attributable to that western section. How much is that? We do not know. The only way we could find out would be if this whole subject were referred to a committee, as I suggested to the Prime Minister. We have a right to know exactly the amount that is going to be attributable to that western section, and to know how much is actually going to be paid under this clause of the agreement.

This is typical of the kind of device which makes it so essential that we place this matter before a committee. Time? Certainly there is time, if that is the right course, and we know the only right course with a bill of this kind is to place it before the committee on railways, canals and telegraph lines or a select committee, whichever the government prefers, so the information can be obtained.

There are, of course, a number of other details which do not need to be enlarged upon at this time, but there was one statement made in the house last Tuesday by the Minister of Trade and Commerce that was interesting. These were his words:

> My officers inform me also that the earliest delivery date for orders for 34-inch pipe placed now would be not earlier than the fourth quarter of 1957. Therefore to abandon Trans-Canada in favour of any other private group was to abandon any hope of a start on the western section of the pipe line in 1956 and perhaps in 1957.

What does that mean? Does that mean the Tennessee gas interests are holding a gun to the government's head? That is what it means if it means anything at all. It means that they say, "We have the pipe and nobody else gets it". How about this government for once dealing on a basis that would represent the interests of Canada, and not being told by interests in the United States whether we will or will not have 34-inch or any other type of pipe for an undertaking of this kind? If 34-inch pipe is not available to us the only people who are to blame are the members of the government of Canada. If that pipe is available then these people who have received so much consideration are morally bound to deliver that pipe to this government. Unless they were prepared to do so then I should think any further negotiations with them would hardly be negotiations with a party who was prepared to deal on terms of fairness and equity with our government. The Tennessee gas interests and their associates are calling the tune. It is the Tennessee gas or nothing. That is the kind of independence which this government has declared.

Then the Minister of Trade and Commerce made perhaps his most interesting statement as reported at page 3664 of *Hansard*:

> In my view the prospect of public ownership of a natural gas pipe line is not one that should arouse enthusiasm.

That is an understatement if I ever heard one.

> On the other hand if public ownership is the only way in which this great national enterprise can proceed, we should not refuse to grasp the nettle. In a country like Canada it is of the greatest importance, however, that private enterprise should be given an adequate opportunity and every reasonable facility to do the job.

Some hon. Members: Hear, hear.

Mr. Drew: I hear a triumphant chorus of "hear, hear" from hon. members opposite.

Mr. Garson: This speech is getting better every minute.

Mr. Drew: Are you hear-hearing for public ownership or private enterprise, because they are both included in that?

An hon. Member: You tell us.

Mr. Drew: It would be interesting to know which you are really supporting.

Mr. Rowe: Some blow hot and some blow cold.

Mr. Drew: We do not believe that Canadian private enterprise has been given an adequate opportunity and every reasonable facility to do this job. We know that private enterprise has been trying to get a chance to participate in this undertaking, and it has been denied.

Let us go back to the words which preceded these:

> . . . if public ownership is the only way in which this great national enterprise can proceed, we should not refuse to grasp the nettle.

These were the words that received the most applause from the organized cheering gang opposite. When the Minister of Trade and Commerce talks about fairness to Trans-Canada, may I suggest that the promoters of Trans-Canada examine those words. What was behind the applause? Was it a tip-off that there really was not much chance of Trans-Canada completing this portion by next March; that everything would be quite all right, and that they were really going to be forced into public ownership at that time? I think it is about time Trans-Canada looked at this matter, because the government is trying to put two sides of a coin before their people and get approval of both sides.

If Trans-Canada cannot put up the money to build the easiest part of the line now, how are they going to build the rest of the line?

How are they going to repay this money and complete their financing by next March, when the Minister of Trade and Commerce and everybody else tells us that the federal power commission certainly will not have given approval by that time? What was the Minister of Trade and Commerce really driving at? If the statement means anything, it means that nobody can count on what the government says.

We do not know whether there will be a further extension. Certainly on the basis of the past record that would be likely, but on the other hand hon. members opposite indicated that they had some inside knowledge about the statement in regard to public ownership. Members opposite obviously thought they knew what those words meant. If that is the purpose let it be declared openly and frankly in this house, and not kept for the secret information of any private members. May we hope that this government with all the tortuous twistings that have taken place will not try to do by indirection what it is unwilling and afraid to do by direction.

While Trans-Canada may not know what is going to happen one thing is certain, that members opposite and all members of this house do not know either. At each point Trans-Canada's rights have been extended, and perhaps that may happen again. It should be remembered, of course—and may I emphasize this—that if those rights are extended next March and they have not been able to repay the money, then the crown company will not have the money to build the northern Ontario section next year. This blocks the northern Ontario section. In this case the government is embarking on something wholly unrelated to the northern Ontario bridge. It is committing the taxpayers of Canada to an arrangement which is exclusively to the advantage of investors in the United States.

What nettle was the Minister of Trade and Commerce speaking about? Was it the hopeless confusion into which he has plunged this whole operation? Quite apart from some explanation of the particular meaning of the word, I think many of us would be interested in knowing who suggested that literary allusion. Since this was so unlike the ordinary statements of the Minister of Trade and Commerce perhaps it would be well to recall where the words come from. Shakespeare did use them first, not the Minister of Trade and Commerce. What were the words that Shakespeare used? He said:

—but I tell you, my lord fool, out of this nettle, danger, we pluck this flower, safety.

Those words might well have come from the Minister of Trade and Commerce. Undoubtedly the safety to which he was referring was political safety. He was making it quite clear that this was a political manoeuvre and that he was hoping to be able to wangle it in that way.

Once again even at this late stage I urge the Prime Minister to refer this matter to a committee. There is no measure that has come before this house that has had even a small fraction of the importance of this measure that has not been referred to a committee of the house for examination. That is the regular practice; that is parliamentary procedure. I ask the Prime Minister to refer this whole subject to the committee on railways, canals and telegraph lines, or to a select committee if he prefers that. Of course the standing committee would be able to operate immediately.

Once again I urge the Prime Minister to refer this to an appropriate committee. I ask him what reasonable explanation there can be for not following this proper course. I would point out to him that there are other vital and important reasons why this committee should have the right to inquire. We have had the statement made that this gas is being sold more cheaply to United States consumers. That may be right or wrong; we do not know, and there is no hon. member opposite who knows any more than we do. But a committee of inquiry would give us the facts. Besides, the statement has been made that the Canadian taxpayers are going to be mulcted to the extent of more than $2 million a year by a deal which is in favour of the United States consumers. Let us have this before a committee where the facts may be obtained.

Above all I ask the Prime Minister tomorrow to tell us his position in regard to the whole affair. Above all I urge that this should not proceed in its present form. This is a vital resource. Gas is a vital part of our national development. We want the pipe line constructed just as soon as possible. We have been urging its construction for five years. We want action taken that will produce positive results, under some coherent plan. We do not want Canadian taxpayers' money to be used in this way to finance United States interests and to give control of Canadian resources in this manner.

In simple terms this government now proposes to put up 90 per cent of the cost of the construction of the pipe line, all Canadian taxpayers' money, for the purpose of handing over this whole operation to a corporation which is 83 per cent owned in the United States.

Just before the six o'clock recess I was referring to certain comments that had been made in this house. Time elapsed then, and

I shall return to those remarks. We have heard the boasts of the Prime Minister and his supporters. Let us have a test of the vaunted courage of this government. Let the government give its supporters something really to believe in, in the form of decisive action. Let them call an election immediately and let the people of Canada decide. We have been told that this is a great venture; we have been told that this is one of the most important developments in Canada, yet it is being financed with Canadian taxpayers' money and handed over to United States promoters. This is the money of the Canadian taxpayer. It is our economy and his future that is at stake. Let the government go to the people and let the people decide on this issue.

Mr. Coldwell: Mr. Chairman, this afternoon in almost the opening sentence of his speech the Minister of Trade and Commerce accused the opposition—I take it the whole opposition—who are opposing this particular project of having vacancy of mind. I do not know when I have seen such a vacancy of vision as this government has exemplified before this house. I want to say again as I have said before that this whole proposal is an outrageous proposal. It places in the hands of powerful United States corporations one of the great resources of this country. The Leader of the Opposition said over 83 per cent; it is 83·4 per cent, according to the figures in this particular report.

The Hudson Bay Oil and Gas, a good Canadian name but a United States controlled company, 17 per cent.

Mr. Howe (Port Arthur): Twenty-five per cent owned in the United Kingdom.

Mr. Coldwell: Possibly, but still United States controlled. Canadian Gulf Oil, a Canadian corporation established by the American Gulf Oil and Gas Company, 17 per cent; Tennessee Gas Transmission, 17 per cent; Canadian Delhi Oil, another Canadian company established by a United States Corporation, Delhi Oil, 25·8 per cent; International Utilities Corporation, New York, 6·6 per cent.

Add them together and you get 83·4 per cent; and yet this government had the audacity this afternoon to come before the house and through the Minister of Trade and Commerce say that we are not going to be allowed to discuss this proposal at any length, that closure will be moved tomorrow to end this particular debate. That is what will happen if as I suspect closure is proceeded with.

I want to tell my hon. friends that never in the history of this country has a debate in this house been brought to a close in this manner. The debate had not begun when the minister moved closure. All he was doing was introducing the motion, and then he moved closure to stop all the rest of us from discussing it in the manner in which this proposition should be discussed in this house.

I say this was a most atrocious proceeding, unknown in a Canadian parliament at any time in the past. Not for 24 years has closure been moved in this house. It was moved 24 years ago, and what did the leader of the Liberal party do at that time? He made this chamber ring with his protests. He denounced the autocracy of the government then in power. He said this was a negation of democracy. Perhaps I had better use his own words.

Mr. Argue: And he won the next election.

Mr. Coldwell: I am reading from page 1626 of *Hansard* of April 1, 1932. This is what Mr. Mackenzie King said:

> They bring in the weapon of closure, and with that weapon they strike at the very heart of this House of Commons thereby stifling all further discussion on a great question having to do with the very foundations of parliamentary government and the constitution of our country.

Those words may not apply. They are not now striking a blow at the constitution of our country, but striking a blow at parliamentary government in this country.

> They say, "We will not even allow you to discuss in committee matters which relate to the control by parliament of expenditures;

As a matter of fact this particular resolution involves the control of expenditures, because it is the money of the taxpayers of Canada that is going to be placed at the disposal of this American-controlled company. Whether we take the whole project; whether we take the bridge across northern Ontario—$83 million from this government, $35 million from the province of Ontario—that is $118 million, and if it is intended that we shall appropriate 90 per cent of the cost of the prairie section of this line, not to exceed $80 million, separately—which I suspect is the real intention—we shall be in effect appropriating nearly $200 million of Canadian public money. What for? To promote the profits of a United States corporation.

Let there be no mistake about it. I say with the Leader of the Opposition that this government dare not face the people of Canada at this time with such a proposition. There never has been anything like it in the history of this country.

I have said before and I shall say again that, while we may not agree that what Sir John A. Macdonald and his friends did at

the time was the best thing for Canada, yet they were actuated by entirely different motives from the motives actuating the present government of Canada. They would not allow United States financial interests to control that great band of steel which was to unite this great country from one end to the other, economically and socially. Read the biography of Sir John A. Macdonald. Read the letter he wrote to his friend in which he made that abundantly clear.

Come down through the years and you will find that Canadian statesmen right up to the present time have endeavoured to protect the integrity of this country. I want to say that if this trend continues—the trend of the control of our industries, the trend of the control of our economics and, most of all, the control of our great resources like this one by the United States—our political independence one day will disappear, and the people who will have been to some degree responsible will be the hon. gentlemen seated opposite us on this occasion. Make no mistake about it. Then Mr. King went on to say this—

Mr. Garson: I wonder if my hon. friend would permit a question?

Mr. Coldwell: Yes, I shall permit a question.

Mr. Garson: In the course of his research into the building of the C.P.R., did he come across any figure for the Canadian investment in that great venture at the time it was built? Could he tell us what that was?

Mr. Coldwell: I certainly did come across the figures. The figures of Canadian investment at that time, the Canadian population at that time being about 4 million, was relatively small. The bulk—

Mr. Garson: What percentage was it?

Mr. Coldwell: The hon. gentleman asked me to give the percentage. I cannot give him that, but I can tell him this, that the bulk of that investment came from the United Kingdom, and at that time Canada was a dominion within the British commonwealth. Canada today is not a dominion, nor is it a nation, I hope, within the North American union of the United States. The two things are entirely different. I do not know the percentage.

Mr. Gardiner: What part of the early development of railways and industries in the United States was financed by Great Britain?

Mr. Coldwell: I know that.

Mr. Pearson: Did it make them a colony?

Mr. Coldwell: I know perfectly well that a great part of the development of industries of the United States was financed by Great Britain. I agree. But as the years went by the British investments diminished. The trouble with us is that, as we are growing stronger, United States control increases. That is the difference.

Mr. Pickersgill: The statistics do not bear that out.

Some hon. Members: Sit down.

The Deputy Chairman: If the hon. member for Rosetown-Biggar does not resume his seat the minister may not ask a question.

Mr. Coldwell: I have resumed my seat twice, which I think is quite generous, and I want to say this to the Minister of Agriculture; that he and his government can find almost $200 million, if my estimate is right—and we shall subtract the $35 million of Ontario money from it, of course—for this United States corporation, but they could not find $50 million, $60 million or $70 million to build the South Saskatchewan dam. Nor can they find money to help the depressed areas in the maritime provinces. Nor can they carry out the plan recommended by General McNaughton in connection with the Columbia river basin. Nor can they find money to improve the conditions of the old age pensioners of this country. Nor can they find money for a national health plan. But they can find nearly $200 million for a United States corporation. Let us take a look at Mr. Mackenzie King again and see what he says.

Mr. Knowles: His ghost will haunt the cabinet tonight.

Mr. Coldwell: He said:

> They say, "We will not even allow you to discuss in committee matters which relate to the control by parliament of expenditures; we will not allow you to say another word in regard to this right, under the peace, order and good government provision, which we are claiming, to be independent of parliament and to legislate as we please, whether parliament is in session or not. They have used the weapon of closure twice in the course of a short debate—

It was a pretty long debate by the standards of this debate.

> —in order to end all discussion and debate on the most important question which has engaged the attention of parliament since this ministry was formed.

I want to say that the closure motion indicated by the Minister of Trade and Commerce this afternoon closes debate on the most important question from the point of view of Canada's economic independence to come forward since this ministry was formed. I do not

think there is any doubt whatever about it. I say that this motion today to introduce closure before the debate began, as the debate was being introduced, is something I do not think the people of Canada will swallow. This is a parliamentary institution and the opposition, yes, the private members of the house, have a duty to perform. They have a duty to scrutinize carefully every proposal of the government and to use every means, including those laid down in our parliamentary procedures, to bring about a proper and adequate discussion. That is what we have been trying to do of late.

An hon. Member: Oh, no.

Mr. Coldwell: That is what we have been trying to do of late, and we are well within our rights in doing it. May I say that I have read the debates between 1930 and 1935; and what the opposition has done to this government today, in the months gone by and in the years gone by, is nothing to what the Liberal party did to the government in office between 1930 and 1935. Make no mistake about it, because I have read the debates.

An hon. Member: That was a good opposition.

Mr. Stewart (Winnipeg North): You do not like your own medicine.

Mr. Coldwell: I see there are ministers on the other side who were here then, and who are grinning as they remember the incidents of that time.

An hon. Member: They will not be grinning after this is over.

Mr. Coldwell: What stage have we reached in the discussion of this project? As the Leader of the Opposition has already said this evening, when this company came before the House of Commons and the people of Canada what did it say? It said that it was prepared to build an all-Canadian pipe line and to utilize the gas for the benefit of Canadian towns and cities. I have the pamphlet they put out at the time, and apart altogether from what they said before our committee or what the mover of the original resolution said in the house they said this in their pamphlet:

> An all-Canadian route for the pipe line, and with the total through-put consumed in Canada, ensures complete control in this country.

That is what they said. Now they come to us and they want us to build the prairie section to Winnipeg or to the vicinity of Winnipeg in order that, if they get permission from the United States federal power commission, they can export gas profitably to the United States, gas that will be used in United States industry not only to compete with Canadian industry but to aid in the establishment of United States industry to compete with Canadian industry in the markets of the world. That is what they are after. Looking at this pamphlet that they put out I see that they even enumerated the towns in Saskatchewan, Manitoba, Ontario and Quebec that they were prepared to supply with Canadian gas.

We are told that the government does not have control of the pipe to build this pipe line. May I say, Mr. Chairman, that this afternoon the Minister of Trade and Commerce told us that Trans-Canada Pipe Lines did not have control of that pipe, that the pipe is in the hands of the United States companies. I do not think it is too strong a statement to make to say that those companies are holding a pipe at the head of the Canadian government. I do not think under those circumstances that my term the other day was too strong when I said that in that way these people are economic buccaneers. I used that term before and I use it tonight. I want to say that I use it, too, with some knowledge of the background of some of these oil companies in the United States over the years and their activities within that country.

There is only one alternative, and the Minister of Trade and Commerce gave it this afternoon. I took down his words and he said that short of public ownership there is no way of guaranteeing Canadian control. I took down the minister's own words.

Mr. Dickey: Canadian control of the shares.

Mr. Coldwell: No way short of public ownership of guaranteeing Canadian control.

Mr. Dickey: Of the shares.

Mr. Coldwell: Of the shares? Well, what is the argument with regard to the shares? It is that 51 per cent of the stock will be made available to the Canadian people.

An hon. Member: At least.

Mr. Coldwell: Then he went on to say that was no guarantee—

An hon. Member: Of control.

Mr. Coldwell: Of course of control; that is what I am talking about. I am not so interested in the ownership if Canada has control, and Canada has not control under this agreement.

Mr. Dickey: Certainly it has.

Mr. Coldwell: The hon. member contradicts me. He will have a chance to make a speech in reply tomorrow.

An hon. Member: He will not.

Mr. Coldwell: Let him do it. I am quoting the Minister of Trade and Commerce, who

said this afternoon that short of public ownership there was no way of guaranteeing Canadian control, and I do not care whether it is Canadian control of the stock—

Mr. Dickey: Control of the shares.

Mr. Coldwell: I do not care whether it is control of the shares, because control of the shares will mean control of the company, if you will, or at least to some extent control of the company and there is no way of guaranteeing Canadian control of the shares.

Mr. Dickey: But that leaves control of the pipe line in Canada.

Mr. Coldwell: The hon. gentleman can make his speech tomorrow. He will have 20 minutes to make his speech tomorrow if closure goes through, and he can make it before one o'clock in the morning of the following day if he so desires.

Mr. Knowles: If he is still awake.

Mr. Coldwell: But I am citing the statement the Minister of Trade and Commerce made this afternoon. We want to see this gas in Alberta utilized. We do not want to see it go to waste. We want to see it available to the people of all Canada, but we want to see it made available in a manner that will ensure to the Canadian people control of this resource and control of the charges that will be made for this great resource. We do not want to see a large percentage of the gas go into the United States. We do not want to see it go to Chicago to be used by the steel mills of that city, we do not want to see it go to Minneapolis to be used by the mills there, we do not want to see it go anywhere else before the needs of the Canadian people and Canadian industries are fully met. That can only be assured to the extent that we are able to control this whole project through this elected House of Commons.

Mr. Harris: No; assured by control of export permits.

Mr. Coldwell: The hon. member says control of export permits. That is something a bit new.

Mr. Harris: No, no.

Mr. Coldwell: Wait a minute. We have been told time and time again that the economic feasibility of the Trans-Canada Pipe Lines plan depended on the federal power commission of the United States; not on the granting of export permits from Canada but on the granting of import permits by a United States authority. That is what we have been told.

Mr. Pickersgill: Both are necessary.

Mr. Coldwell: That is what we have been told. These people have said that they cannot go ahead with this plan unless they can get the right to import into the United States. This government have at no time, as far as I know, placed in jeopardy their right to export gas. Never, as far as I know, have they placed it in jeopardy. It is the United States federal power commission which is placing in jeopardy the importation of gas into that country. That is a far different thing.

Once again in that respect we are at the mercy of a foreign commission, no matter how friendly our American friends may be. I am not anti-American; I am pro-Canadian; and I do not want to see the control and usage of this great resource alienated by the federal government. Nor do I want to see it made possible to export this great resource by those powerful corporations, whether it be done incidentally by the federal government alone or in co-operation with the government of Ontario, which I think is equally blameworthy in agreeing to this proposition at the present time.

There is much one can say in connection with the proposition. As a matter of fact, as to this prairie section, the Minister of Trade and Commerce this afternoon told us that the company would have an investment of $15 million of their own against some $80 million in that section of the Canadian people's money and, if they proceed with the bridge across northern Ontario, $118 million of the Canadian people's money. In addition, as has already been pointed out, there are 110 miles between Winnipeg and the Ontario boundary that are not accounted for. How are they going to build that? Who is going to pay for it? Once they get this line built to Winnipeg they will probably come to us again and say, "We have done this. We have an investment there. You would not expect us to lose that investment. We require some help or some support in order to complete that 110 miles between Winnipeg and the bridge you are going to build with the Ontario government". And I suppose that once again we shall be faced with a resolution of this description to guarantee their bonds or to lend them money or to do something for them that they will want at that particular time.

Mr. Rowe: And they will have to put closure on it.

Mr. Coldwell: And they will have to put closure on it if they want to get it through.

I now want to bring my remarks to a close, Mr. Chairman, but I want to repeat what I said at the very beginning, namely that this is a most outrageous proposal. It

is outrageous any way you care to examine it. It is outrageous coming as it does from a government, as I have said, that has refused to do some of the things for our economy within our provinces that the government should have done. I believe that the members of this House of Commons are justified in using every means at their disposal to block this pernicious agreement.

An hon. Member: It is democratic government.

Mr. Coldwell: "Democratic government" someone says. We have heard a great deal about totalitarian states, but if ever a totalitarian move was made in this house, it was made this afternoon.

Mr. Knowles: Totalitarianism of the first order.

Mr. Coldwell: I suppose that because, unfortunately for this country, over the last 20 years or so a government has been in power with an opposition that was relatively weak in numbers, they have therefore built up through the years the idea that they were able to put through this house anything they desired to put through.

Mr. Knowles: "Who can stop me?"

Mr. Coldwell: Yes; the Minister of Trade and Commerce on one occasion turned to the opposition and said, "Who is going to stop us".

Mr. Rowe: Now he is stopping himself.

Mr. Coldwell: Today we had a demonstration of "Who is going to stop us?". We cannot stop them. But one thing we can do is this. We can expose them. When I was a boy we used to sing another verse of the national anthem. Do you remember it?

> Confound their politics,
> Frustrate their knavish tricks . . .

Tonight I can say that very sincerely. If the Canadian people had an opportunity they would confound their politics, frustrate their knavish tricks. Then we could say "So save us all".

Mr. Johnston (Bow River): Mr. Chairman, may I call it ten o'clock and move the adjournment of the debate?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Weir: Mr. Speaker, may I have the privilege of reverting to motions?

Some hon. Members: No.

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

Some hon. Members: No.

Mr. Speaker: If the hon. gentleman has not unanimous consent, he may not revert to motions at this time.

Mr. St. Laurent (Quebec East) moved the adjournment of the house.

Mr. Harris: Mr. Speaker, tomorrow we shall continue with this discussion.

Motion agreed to and the house adjourned at 9.59 p.m.

ANSWERS TO QUESTIONS

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

FOOD AND DRUGS ACT ADMINISTRATION

Question No. 465—**Mr. Houck:**

What progress has been made in implementing the clauses of the Food and Drugs Act (as revised in 1954) which require sanitary inspection and inspection of records of food manufacturing and drug manufacturing establishments?

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

Re drug manufacturers: Following proclamation of the Food and Drugs Act on July 1, 1954, a complete survey of the drug manufacturing industry was undertaken by the food and drug directorate of the Department of National Health and Welfare. This survey was completed in 1954-55, more than 350 preliminary inspections having been made. The pharmaceutical industry in Canada is relatively small, but there is great variety in the products, the size of the companies and their production and distribution facilities. Of principal importance in drug firms is the existence of a record control system which enables the manufacturer to trace his products in the course of manufacture and to check on the raw material used in his products.

As a result of the preliminary survey and because of the limitation in number of staff available for the work, priorities were established. Particular attention was given in 1955-56 to private formula manufacturers, manufacturers of injectable drugs and drug manufacturers in general, as distinguished from distributors and wholesalers. Fewer inspections—253—were carried out in 1955-56 but on each inspection more time was spent making recommendations, and repeat visits were made to a number of establishments.

Progress has been noted in many cases, particularly among some of the smaller manufacturers who were not aware that their manufacturing procedures and record systems did not constitute good commercial practice. With particular reference to injectable drugs, a number of manufacturers agreed voluntarily to discontinue manufacture of these products when it was pointed out that their facilities were inadequate to ensure complete safety of the products.

Re food inspection: Inspection of food factories under the provision of the sanitary clauses of the act has been accelerated during the past months. The factories visited were chosen from those industries which previous surveys had shown demanded immediate attention.

The nature and scope of the work to be done in this field is indicated by the fact that the inspectors of the food and drug directorate made over 2,300 visits to food factories during the past year. A continuation of this heavy program is planned for this year.

This work has been carried out in close cooperation with other interested federal, provincial and municipal agencies. In the case of provincial agencies who are particularly interested in local problems, an effort was made to keep them fully informed of the department's findings and actions.

Evidence of substantial improvement has been noted as a result of this program.

INCOME TAX—CHARITABLE AND MEDICAL DEDUCTIONS

Question No. 469—**Mr. Nicholson:**

What is the estimated additional revenue which would accrue to the treasury if no income tax deductions were allowed for (a) charitable contributions; (b) medical expenses?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

No information available.

HOUSE OF COMMONS

Tuesday, May 15, 1956

The house met at 2.30 p.m.

ST. LAWRENCE SEAWAY

EXPROPRIATION OF PART OF CAUGHNAWAGA INDIAN RESERVE

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Minister of Citizenship and Immigration, in view of reports in yesterday's papers indicating that experienced real estate agents feel that the values being paid for properties on the Caughnawaga Indian reserve are well below their actual values, whether the minister is prepared to defer the expropriations or to reassess the prices which are being paid for land in that reserve.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I have attempted to stay within the rules of the house for the precise purpose of having a debate on this subject, a purpose which has been obstructed by hon. gentlemen opposite. For that reason perhaps I may be allowed two sentences to state what is the position. The first is that the expropriations have already taken place. The second is that no person can suffer any prejudice whatsoever by virtue of that fact. I have assured the house before and I give the assurance again that anyone who is dissatisfied with what he has been offered will have the opportunity of having his case heard by the courts. This work has to go on and the fact that it has to go on is apparent to everyone. In order to avoid every possible hardship we have made arrangements with the seaway authority whereby they will make advances, without prejudice to the final settlement, to those who are not satisfied with the offers being made.

POST OFFICE DEPARTMENT

NEW WESTMINSTER—PROVISION OF RAIN GEAR FOR LETTER CARRIERS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, further to a question which I asked the minister on April 12 respecting the need for rain gear at New Westminster, at which time he indicated that the gear had been sent, I wonder if he would inquire into this matter. I have received word that it is raining to beat hell and they have no rain gear.

Hon. Hugues Lapointe (Postmaster General): I shall be very pleased to make inquiries.

INQUIRY FOR RETURN

TRANS-CANADA HIGHWAY, BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to address a question to the Minister of Public Works. On May 2 this house passed a motion for the production of papers as follows:

> For a copy of all correspondence exchanged between the government of Canada and the government of the province of British Columbia, or any ministers thereof, since January 1, 1956, with respect to the trans-Canada highway.

Can the minister inform the house if he is now able to table that correspondence?

Hon. Robert H. Winters (Minister of Public Works): Yes. I have just received a letter from the minister of highways of the government of British Columbia agreeing, with certain reservations regarding correspondence he would like to have considered as personal and privileged, to have me table the correspondence.

Mr. E. D. Fulton (Kamloops): May I ask the minister a supplementary question relating to the answer he just made to the hon. member for Kootenay West. Under what rule does the minister say that the permission of a provincial minister is necessary before correspondence can be tabled in the house? Is not the rule rather that as a matter of courtesy a provincial minister is informed of the intention to table and asked if he has any objection? If he does object, then the decision rests with the minister here as to whether or not he will table the correspondence. Is not the position that the minister cannot table an expurgated edition, that he has to decide whether or not he will table the correspondence?

Mr. Winters: I understand the rule is one of courtesy. I simply acquainted the house with the information that was imparted to me by the minister of highways of British Columbia in a letter I received today. I have not yet tabled the correspondence, and I am in the process of giving consideration to that point now.

Inquiries of the Ministry

HARBOURS

UNGAVA—STATEMENT AS TO POSSIBILITY OF DEVELOPMENT

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I should like to answer a question directed to the Minister of Transport (Mr. Marler) on Friday last by the hon. member for Vancouver-Quadra (Mr. Green) concerning conferences which have taken place between Mr. Cyrus Eaton and government officials concerning the proposed development of a harbour in Ungava bay. The situation is that on April 10 I met with Mr. Cyrus Eaton, Jr., Mr. W. R. Daley and Mr. L. C. Turnock, Jr. On April 11 these same gentlemen met with officials of the Department of Public Works, the Department of Mines and Technical Surveys and the Department of Transport, under the chairmanship of the deputy minister of public works, to discuss the possibilities of harbour development in Ungava bay in connection with iron ore operations in the area.

Local conditions and possible sites for a suitable harbour were discussed. They were shown the hydrographic charts and other information prepared by representatives of the Department of Mines and Technical Surveys last summer in that area. After discussion it was suggested that the International Iron Ore Company should appoint private consulting engineers to continue studies of suitable sites and methods of developing a harbour. I understand that the company has done this. The Department of Public Works engineers will be available to provide information in accordance with usual government practice.

The officials of the Department of Transport and the Department of Mines and Technical Surveys similarly undertook to make available to the consulting engineers information in their possession.

Mr. Howard C. Green (Vancouver-Quadra): May I ask a supplementary question of the Minister of Public Works concerning this proposal to develop a harbour in Ungava bay. Does that include an extension of the present railway line from Knob Lake, I think it is, to Ungava bay?

Mr. Winters: I understand that is not visualized now.

BRIDGES

LUBEC, MAINE-CAMPOBELLO ISLAND, N.B.—INQUIRY AS TO PREPARATORY SURVEY

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Minister of Public Works. Has the government of New Brunswick requested the federal government to authorize it to participate with the state of Maine in a survey preparatory to building a bridge from Lubec, Maine, to Campobello island, New Brunswick?

Hon. Robert H. Winters (Minister of Public Works): There has been an exchange of correspondence between the deputy minister of public works for the province of New Brunswick and the deputy minister of public works in the federal government, in which the former has informed us that they are very familiar with this crossing and have met with several committees from Campobello and Lubec, Maine, to discuss the various matters involved.

The government of New Brunswick has been informed that there are certain considerations that have to be cleared with the international joint commission, as well as under the terms of the Navigable Waters Protection Act, but that the federal government is quite prepared for the government of New Brunswick to undertake the joint survey with the state of Maine.

ARTS, LETTERS AND SCIENCES

DOMINION DRAMA FESTIVAL—INQUIRY AS TO ADVERTISING

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister? Has the Prime Minister any further statement to make in regard to the matter I questioned him about on Friday, having to do with the improper use of the name of the Governor General of Canada?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the important factor, I think, in the hon. gentleman's question was with respect to the use that had apparently been made, by an organization of which the Governor General is a patron, of the fact that he was the patron of the organization. As the hon. gentleman knows, the extension of his patronage to organizations for the encouragement of the arts or to similar organizations is a personal prerogative of His Excellency the Governor General, and the hon. gentleman knows, as I do, from the publicity that has been given by the newspapers and also over the radio that His Excellency is dealing with the matter himself.

IMMIGRATION

THERESA ANITA FERNANDES—REQUEST FOR RECONSIDERATION OF DEPORTATION ORDER

On the orders of the day:

Mr. G. S. White (Hastings-Frontenac): I should like to direct a question to the Minister of Citizenship and Immigration in regard to the case of Theresa Anita Fernandes, the adopted daughter of Mr. and Mrs. Walter Fernandes of Toronto. Will the minister reconsider the decision made either by himself or the officials of his department on the appeal against the deportation order?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The hon. gentleman was good enough to indicate that he had hoped to ask this question yesterday. In view of the great publicity given to this case, I think I should say that the first time I ever heard of it was when, like the hon. gentleman, I read the Toronto *Star*. Since then I have been looking at the particulars, and I am giving the case further consideration.

TRADE

GATT—REPORTED TARIFF CUTS BY CANADA

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Minister of Finance. Is the minister in a position to give the house any information about the tariff reductions which Canada is reported to be making under GATT?

Hon. W. E. Harris (Minister of Finance): No. In due course I expect that my colleague the Minister of Trade and Commerce will deal with it in the house, but at the moment I have nothing to say.

AGRICULTURE

PRODUCER MARKETING BOARDS—JUDGMENT OF SUPREME COURT OF CANADA

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Justice. Can the minister state whether a decision has been reached by the Supreme Court of Canada in respect to Ontario's producer marketing boards and, if so, what decision has been reached?

Hon. Stuart S. Garson (Minister of Justice): The answer to the hon. gentleman's question is no.

HOUSE OF COMMONS

EXTRA HOURS OF SITTING—OVERTIME PAY FOR EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. What arrangements are being made for overtime pay for employees of the House of Commons who may be required to work extra hours tonight and possibly on two or three other occasions this week and next?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I was hoping it would be unnecessary that they should work overtime, and that we might complete our work by ten o'clock tonight.

Mr. Knowles: If the government does not withdraw the closure motion and we go on, will consideration be given to the matter I have raised?

Mr. Harris: Mr. Speaker, I am sure that Your Honour and the internal economy commission will consider every factor they ought to consider in connection with the good work our staff are doing.

DISABLED PERSONS

INQUIRY AS TO POSSIBLE CHANGES IN REGULATIONS

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Minister of National Health and Welfare. Have the officials of his department had discussions recently with officials of provincial departments with respect to the regulations under the Disabled Persons Act? If so, have any changes in the regulations been made as a result of these discussions?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker—

Mr. Fulton: A short answer, now.

Mr. Martin: It will be short, accurate and informative.

Mr. Knowles: And probably disappointing.

Mr. Martin: The trouble with my hon. friend who has just interjected is that he always thinks that because he has been a cheer leader any achievement of the government results in his having scored the touchdown.

Some hon. Members: Hear, hear.

Mr. Martin: As the Leader of the Opposition said last evening, I have all day. There has been such a conference, and the federal

government is now awaiting the reaction of the various provinces to the discussions. I do not think we will be in a position before next September to make any final decision. I might say, however, that when the disability allowance program was announced we estimated that we would have on strength about 25,000 disability pensioners. I am happy to say that as a result of the initiative taken by the government that figure has been exceeded.

NATIONAL DEFENCE

NATO—DISPATCH FROM CANADA OF CF-100 SQUADRONS

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a question to the Minister of National Defence? He has not had one for a long time.

An hon. Member: He has his wrong ear to you.

Mr. Pearkes: Are the CF-100 squadrons which are being sent to NATO to be in addition to or to replace the squadrons of the air division now in Europe?

Hon. R. O. Campney (Minister of National Defence): The number of squadrons in Europe at any given time will remain at 12 as at present. The four CF-100 squadrons which will replace four Sabre jet squadrons will do so in succession, but the over-all number will remain the same.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—QUALIFICATION FOR GUARANTEED BANK LOANS

On the orders of the day:

Mr. H. A. Bryson (Humboldt-Melfort): I wonder whether the Minister of Citizenship and Immigration is prepared to answer the question I asked last Friday regarding the eligibility of Indians to apply for bank loans against wheat stored on reserves?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I have given some consideration to this question and it is a good thing I did, because it is exceedingly complicated. As I am sure the hon. member knows, section 88(1) of the Indian Act provides that real and personal property belonging to an Indian, which property is situated on a reserve, cannot be attached or seized except at the instance of another Indian, and I do not think the chartered banks were chartered as Indians.

If I may summarize the information I have, it would appear that if an Indian stored his grain off the reserve and applied for a loan he would be eligible like anyone else but that the banks might properly say, if the wheat were stored on the reserve, and they could not realize, that the conditions did not meet with the terms of the bank loan legislation.

Mr. Fulton: Does this means that with respect to bank loans the minister is an Indian giver?

PIPE LINES

TRANS-CANADA PIPE LINES—OPTION TO PURCHASE PIPE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of Trade and Commerce if he has yet been able to obtain a copy of Trans-Canada's option on the pipe in the United States to which we both referred last Friday?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, it had not come to hand when I left the office this morning. I will table it as soon as it does. I have asked for it.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

Mr. Speaker: Before I leave the chair, may I say that the house is in such good humour today that I hate to go.

Mr. Knowles: You'll be back.

The house resumed, from Monday, May 14, consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation for the purposes, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

To provide also that the corporation may, on behalf of Her Majesty, out of moneys advanced by the Minister of Finance, make short-term loans to Trans-Canada Pipe Lines Limited for the construction of a natural gas pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, such loans not to exceed in the aggregate eighty million dollars or ninety per cent of the cost of construction of the said

pipe line, whichever is the lesser, and to be made upon such terms, conditions and security as approved by the governor in council.

To provide also that the corporation may do such things as are conducive to the attainment of the foregoing purposes, and that in the event of default of Trans-Canada Pipe Lines Limited in carrying out any agreement for the foregoing purposes the corporation may take possession and control of any or all assets, rights and undertakings of Trans-Canada Pipe Lines Limited and conduct the business and operations of Trans-Canada Pipe Lines Limited with respect to such assets, rights and undertakings, and that if such default should occur prior to completion of the pipe line mentioned in the last preceding paragraph hereof the corporation may complete its construction and manage and operate it and that it may, out of moneys advanced by the Minister of Finance acquire shares of the capital stock of Trans-Canada Pipe Lines Limited.

To provide that the aggregate outstanding at any time of the amounts authorized by the measure to be advanced for the foregoing purposes by the Minister of Finance to the corporation together with the loans authorized to be made by the Minister of Finance to the corporation shall not exceed one hundred and thirty million dollars.

And to provide further for the appointment and remuneration of directors, officers and employees necessary for the administration of the act.

Mr. Howe (Port Arthur): Mr. Chairman, pursuant to notice given yesterday I move:

That at this sitting of the committee of the whole on the resolution respecting the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation, the further consideration of the said resolution shall be the first business of the committee and that the consideration of the same shall not be further postponed.

Mr. Knowles: Shame.

Mr. Drew: The club.

Mr. Rowe: The guillotine.

The Chairman: Is it the pleasure of the committee to adopt the motion?

Some hon. Members: Yes.

Some hon. Members: No.

Motion Mr. Howe (Port Arthur) agreed to: Yeas, 122; nays, 73.

Mr. Fulton: I rise on a point of order, Mr. Chairman, for the purpose of addressing an inquiry to you. The inquiry is, was the Prime Minister and leader of the Liberal party a member of the committee who voted in favour of the guillotine?

The Chairman: I think the hon. member will agree that that is not a true point of order. I am not here to identify the members of the committee.

Mr. Fulton: Probably you could give me a simple answer.

Some hon. Members: Sit down.

Mr. Johnston (Bow River): At the outset, Mr. Chairman, I wish to say that we are not in favour of closure. It has always been our practice to have as much free discussion as possible in the house. It may be necessary, when it is clear that there is or will be obstruction to a measure, to enforce closure. Certainly we think closure should not have been put on at this time, and that a considerable amount of time should have been allowed for free discussion. I am only making that statement at this time, Mr. Chairman, because as a result of the conspiracy between the leader of the Conservative party and the C.C.F., we were prohibited from putting forward our views on this matter last evening before ten o'clock.

Some hon. Members: Oh, oh.

Mr. Coldwell: On a question—

Some hon. Members: Sit down.

Mr. Coldwell: On a point of personal privilege, Mr. Chairman—

The Chairman: Order. I understand the hon. member for Rosetown-Biggar is rising on a point of privilege.

Mr. Coldwell: On a point of personal privilege, Mr. Chairman; the hon. gentleman has tried to leave the impression that I prevented him from speaking last night. I rose at half past nine and spoke for 30 minutes, which was my right. I resent very much any implication to the contrary being placed on the records of this house.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Chairman—

Some hon. Members: Oh, oh.

The Chairman: Order. I presume the Leader of the Opposition is also rising on a point of privilege.

Mr. Drew: Now that the trained seals are silent, that is what I intended to say.

Some hon. Members: Oh, oh.

The Chairman: Order. Perhaps I should rise on a point of privilege myself. I do not think, at the commencement of a debate which promises to be most interesting, it is appropriate for one member to say of other members that they are trained seals. Perhaps we could start our proceedings this afternoon by the hon. Leader of the Opposition withdrawing those words.

Mr. Drew: Mr. Chairman, I regret that Your Honour was not so conscious of the noise which prompted that remark, and I do not propose to withdraw the words.

Some hon. Members: Withdraw.

The Chairman: Order. I am conscious of the noise which prompts these remarks and we

are, of course, all very conscious of the tenseness which pervades the atmosphere of the chamber at times like this.

In view of that fact, it is my duty to attempt to allay heat when heat is rising and I believe these words should be brought to the attention of all hon. members at the very outset of the debate. I think most hon. members will agree that this expression "trained seals"—

Mr. Fulton: What about the word "conspiracy"?

The Chairman: —is not one that one hon. member of this house should apply to other members of this house. I may be wrong, but I feel I am on pretty sound ground.

An hon. Member: Use "untrained" then.

The Chairman: May I ask hon. members to refrain from further demonstrations of any kind. I feel I am on sound ground, and I feel that the Leader of the Opposition, after these perhaps futile attempts to allay heat, will agree with me and I hope he will co-operate with me to the extent of withdrawing those words, which I do not feel have a place in this House of Commons.

Mr. Fulton: Well, what about the word "conspiracy"? ,

Mr. Drew: Well, Mr. Chairman, I will go so far as to point out that I rose and before I even had an opportunity to express the circumstances under which I rose there was such bedlam in unison that I felt the words I used on that occasion were appropriate having regard to the circumstances. I shall not repeat them on this occasion, and I shall now proceed to deal with the question of privilege that has been raised.

The Chairman: I am sorry, but the question has gone beyond that. I have asked in as kindly terms as possible for the co-operation of the Leader of the Opposition. I feel he will agree with me that an expression of this kind is bound to raise heat. It is my duty to see that this debate proceeds in an orderly fashion. I am now asking the Leader of the Opposition once more to withdraw those words which I am sure he must agree have no place in this honourable chamber.

Mr. Fulton: Well, Mr. Chairman—

Mr. Drew: Mr. Chairman, I want to point out to you that the reason for the heat is the outrageous conduct of the government—

Some hon. Members: Oh, oh.

Mr. Drew: —and the words I used which described, I feel accurately, what has taken place have been used before and have not been challenged. Under those circumstances and in view of the provocation I do not intend to withdraw the words and I leave the matter in your hands.

Some hon. Members: Hear, hear.

The Chairman: I recall another occasion when the Leader of the Opposition used the same words when I was in the chair. At that time they did not raise the heat which they raised today.

Mr. Drew: It is a question of temperature.

The Chairman: I must point out to hon. members that it is the fear of disorder which may arise in the chamber which causes those of us who occupy the chair to rise from time to time to attempt, as I said before, to allay some of this heat. At the beginning of such a debate as we contemplate for today, I do not propose to allow the debate to commence on a disorderly basis, and I must ask the hon. member to withdraw or I shall have to report the matter to Mr. Speaker.

Mr. Fleming: Shame.

Mr. Harris: Mr. Chairman, may I with respect suggest that this is an occasion on which we ought to be very careful that we allow all the time possible to the person who has the floor to get on with an extremely important debate. I say that without in any way suggesting it was improper for the leader of the C.C.F. party to raise his question of privilege. I also agree it was quite in order and probably expected that the Leader of the Opposition would do likewise under those circumstances.

Of course there is no reason in the world why we could not be sure that the hon. member who has the floor should have his full time; however, we are about to engage in a rather lengthy debate in which, as I understand it, the speeches are limited to 20 minutes. I would hope during that time the committee would give the greatest attention to what is said with the least interruption.

As it happens, when the Leader of the Opposition rose I thought perhaps the remarks and the noise which greeted him were spontaneous rather than trained, but that might be a matter of opinion. I also recall on more than one occasion the Leader of the Opposition having used the phrase "trained seals". I have never taken the trouble to see if it is in order or out of order according to the book. I think we all discount that phrase, because everyone in this house knows that all parties practically invariably follow a single party line, with some exceptions which may or may not be evident later.

A reference of that kind is only a general reference, sir, to the party warfare which

goes on; and while it may be offensive to some of us toward whom it is directed, I have long since felt that it did not bother me personally.

While I realize your duty is to report the situation to Mr. Speaker, I wonder if under the circumstances it might be possible for us to continue with the debate subject to that and subject to our seeing if there is any precedent which would bear this out; not that I question your judgment or your authority to make a ruling under these circumstances. It occurred to me, however, that we might proceed with the debate and leave the matter as it stands, so that if a report to the Speaker is necessary that report could be made at a later time.

The Chairman: I think perhaps the minister has succeeded in allaying the heat which I attempted to allay a few minutes ago. As a matter of fact, when the Leader of the Opposition rose I did not have an opportunity to hear his question of privilege because the words in question were spoken early in his remarks. Perhaps I should hear his question of privilege before commenting further on the matter raised by the minister.

Mr. Drew: Mr. Chairman, the question of privilege that I proposed to raise was very brief. The question I would have raised, if I could have been heard at the time, was simply this. When I spoke yesterday I explained it was because the situation demanded a long speech and I spoke within the rules. I do not believe there is any right on the part of any hon. member to challenge the propriety of an hon. member using the time provided by the rules for discussing a subject of importance which is before this house.

The Chairman: Order. The question of privilege raised by the hon. member for Rosetown-Biggar and the Leader of the Opposition I think is well taken. I am sure the hon. member for Bow River would not wish to leave on the record any implication other than that they had availed themselves of their privileges as hon. members of this house. I therefore expect that the hon. member for Bow River will withdraw any implication such as has been objected to in the questions of privilege raised by these two hon. members.

I hope further that the Leader of the Opposition will co-operate with me. He has already said that he will refrain from using the words objected to a short time ago. I hope that will close the question.

Mr. Johnston (Bow River): Mr. Chairman, I meant no offence and I withdraw any offensive reference. I was stating that when the Leader of the Opposition spoke until exactly half past nine and then the leader of the C.C.F. continued until ten o'clock it was quite obvious that we were cut off—

Some hon. Members: Oh, oh.

Mr. Johnston (Bow River): That is a matter of fact.

Mr. Coldwell: Mr. Chairman, on a question of privilege, when I came back from the television station last night I was told I should probably wait until after nine o'clock, that the Leader of the Opposition would likely make a long speech. I came down to the house shortly after nine o'clock and the Leader of the Opposition sat down at 9.30. I sat down at one minute to ten, and I think I was fully within my rights in doing that, as was the Leader of the Opposition in taking all the time he could under the rules of this house.

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

The Chairman: The hon. member for Bow River is entitled to speak in the committee, and he has been recognized. I wish to make it clear that I consider the points of order raised by these two hon. members to be well taken, and we should not have any further reference to the time taken last evening.

Mr. Knowles: I rise on a point of order. In view of the fact that the time we have lost is due to the utterances of the hon. member himself, and in view of the fact that we are under a time limit today, how many minutes—

An hon. Member: Sit down.

Mr. Knowles: —will the hon. member for Bow River be given?

The Chairman: The hon. member for Bow River.

Mr. Johnston (Bow River): Mr. Chairman, I should like to start my remarks this afternoon by referring to the resolution. The resolution before us is to set up a crown corporation to be known as Northern Ontario Pipe Line Crown Corporation. The resolution has two main purposes. The first is to build the northern Ontario section of the line with the two governments putting up approximately $118 million. The Ontario government is to advance $35 million and the federal government $83 million. When the line is constructed it will be leased to Trans-Canada Pipe Lines Limited with an option to buy.

The second part of the resolution deals with the building of the western portion of the trans-Canada pipe line. The corporation will be allowed to lend $80 million to Trans-Canada at 5 per cent. This is a federal loan at 5 per cent, which would appear to be a good business transaction.

Northern Ontario Pipe Line Corporation

There is a guarantee attached to the contract which states that if the company fails to comply with its terms the government can take over the whole project.

Let it be clearly understood that we favour an all-Canadian pipe line under Canadian control. We have expressed that on numerous occasions. We have no favourite as to any company in Canada or anywhere else. We certainly do not offer special favour to nor are we married to Trans-Canada Pipe Lines Limited or any other company. At the moment that is the only proposition that is before the government. If we are to have a pipe line running across this country within the next two years it must be Trans-Canada Pipe Lines.

We want to make sure that the federal government is not handing control over to another country. The minister has indicated that there is certain federal control, that the federal government has absolute control over all export permits. On top of that the federal government has control through legislation passed by this parliament to do whatever they think is right and proper in the interests of Canada. Then in addition there is the control exercised by the province of Alberta in the matter of exporting gas from that province.

In order that there may be no misunderstanding in regard to control remaining in Canadian hands we would make three recommendations to the government. First, we would recommend that 51 per cent of ownership shall remain in the hands of Canadians at all times. Second, we recommend that the majority of the directors of the company shall be Canadians at all times. Third, we recommend that the company make available to Canadians 51 per cent of the stock which shall be negotiable in Canada only, and that the portion not purchased by Canadian subscribers be purchased by the federal government to be held in trust and made available for purchase by Canadian citizens in the future.

If the government will give consideration to those recommendations, along with the other controls which exist, I am sure there could then be no opposition and no question as to the complete control of Trans-Canada Pipe Lines being in the hands of Canadians at all times.

We are pleased to note that at long last the government has decided to go ahead with the construction of a trans-Canada pipe line. Certainly they have, and I think they will admit, caused a good deal of delay in the construction of this pipe line. But now we are pleased that they are about to permit construction of this line. We are pleased in this regard because the people of Alberta and others have invested a tremendous amount of money in the development of oil and gas in that province.

We as Albertans started out in 1935 to develop the resources in our province. We made a policy statement at that time that as far as the supply of gas and oil was concerned, Alberta's requirements must be met first, then Canadian requirements, and then when there was sufficient quantity to warrant it exports should be allowed. We have reached that point now, and we think it is high time there was some means of exporting this gas to the other provinces of Canada.

There has been a great deal of questioning here, particularly by the C.C.F., over the fact that there has been United States investment in the development of these natural resources. It will be recalled that in 1935 the then premier of that province, the late Mr. Aberhart, along with Mr. Manning and the leader of this group here came to Ottawa to see if they could get Canadian capital to develop those natural resources. That was impossible. They then went over to Great Britain to see if they could get assistance there to develop those natural resources. That was impossible. They then went to the United States, and they were able to get the required assistance for the development of these resources. If it had not been for that assistance we would not be in a position today where we are discussing the building of a trans-Canada pipe line across this country.

Saskatchewan too is in need of a trans-Canada pipe line. The development of their resources has been done by private investment and private enterprise. I am amazed at the attitude taken by the C.C.F. so far in this debate, particularly by the leader of the C.C.F. who opposes the development of these resources by private enterprise. Certainly he cannot be forgetful that the resources in Saskatchewan have been developed entirely by private enterprise. He so stated in the debate the other day. Let me read what he said, as reported on page 3886 of *Hansard* of May 14:

> There is only one alternative, and the Minister of Trade and Commerce gave it this afternoon. I took down his words and he said that short of public ownership there is no way of guaranteeing Canadian control. I took down the minister's own words.

Let me point out to him that if that is so, then United States organizations and financial interests have complete control of the development of oil in Saskatchewan. There is no question about it. Even the premier of the province of Saskatchewan favours private development. In a letter

dated April 21, 1949, addressed to "Dear Mr. Newkirk" he had this to say:

In response to your request for a statement of the policy of the government of Saskatchewan on the matter of mineral and petroleum development, I desire to reiterate the stand which we have taken and which has been expressed on numerous occasions in the past.

The government is desirous of encouraging mineral and petroleum exploration, development and production to the greatest extent possible, and to that end it has embarked upon a program designed to lend technical assistance and advice to bona fide persons and organizations able and willing to proceed with this work. In addition, it gives a firm understanding that no steps will be taken to expropriate or socialize the mining or petroleum industry in the province.

At the same time, the government will take all necessary steps to protect the public interest, and to that end the mineral rights in certain areas will be defined and reserved in advance to the use of the crown, and royalties will be fixed guaranteeing to the people of the province a fair return from the mineral wealth produced.

That is exactly what has taken place in Alberta. Saskatchewan has followed that plan and as a result of following Alberta's plan they have been able to develop their natural resources. They will benefit from the construction of this trans-Canada pipe line. The premier of Saskatchewan gave the assurance that there would be no socialization of these projects, yet the C.C.F. have the audacity to stand up in this house and say they oppose the construction of this pipe line by private enterprise which will provide further development of their natural resources.

I want to read further from the budget speech of the late—no, not the late, but I suppose he will be after the election—Hon. C. M. Fines, provincial treasurer of Saskatchewan, on Monday, March 5, 1956. They talk about lending money to private enterprise for the development of resources. Look at page 20 of this speech:

In just about five years, it has assisted in bringing to this province such industries as a pipe mill, a plywood factory, a generator winding plant, a garment factory, a farm equipment manufacturing enterprise, a cement plant—to name but a few. The industrial development fund, which a few years ago counted a $50,000 loan to a new company as a major transaction, is expected this year to lend up to $500,000.

How can they stand up and object to the government on this occasion lending $80 million to a private concern at 5 per cent interest? I wish they could be a little consistent.

I turn my attention for a second to the Conservative members of this house. I never saw such a mess as they are in now. They say it was a shotgun wedding that was performed in the amalgamation of Trans-Canada Pipe Lines, but I would call this close association with the C.C.F. as almost a companionate marriage, because they see no other alternative. I do not think I could outline the stand taken by the Conservatives better than it is expressed by the Montreal *Gazette* of May 14, which expresses my opinion exactly. It says:

Poor Relations:

Poor liaison has caused a rift between the federal Conservatives and the party's Ontario provincial organization.

How mute was the leader of the Conservative party when he was asked to give Mr. Frost's ideas on this. He stood up here as though he were paralysed, and he never made a suggestion.

The coolness developed at mid-week. Conservative M.P.'s—

I want to emphasize that it was all the Conservative M.P.'s except the one from Calgary South.

Conservative M.P.'s had been hammering away at trade minister Howe and the Liberal government for more than a week for failing to give Calgary oil promoter Frank McMahon and other interested Canadian groups a chance to pick up the torch from the failing hands of Trans-Canada Pipe Lines Limited and build Canada's transcontinental natural gas pipe line.

Spilled:

But while the Conservatives were preoccupied with developments in parliament, Queen's park abruptly yanked the rug from under them. Ontario's Conservative government announced blandly its complete satisfaction with the Howe proposal to rush further financial aid to Trans-Canada. As for the McMahon offer—

Notice this. This was the main point the leader of the Conservatives had to offer yesterday in regard to this matter:

As for the McMahon offer, Ontario authorities scoffed at the suggestion that it deserved serious consideration. Ontario, they said, had itself canvassed the field of potential Canadian investors last fall—McMahon among them. And all it had found was a wide open space. The Ontario pronouncements didn't utter a single critical word about the stand taken by the federal Conservatives. But the implication was clear and the effect devastating.

Committed:

Indications are that opposition leader Drew and his followers in parliament (including the Ontario M.P.'s), will, however, persist in their stand. They are too deeply committed to it, in any event, to backtrack in the face of the new pressure from Queen's park. Their battle against the continuation of Trans-Canada Pipe Lines Limited as the "chosen instrument" of Canadian pipe-line policy will remain, it is said, a fight to the finish.

A fight to the finish of what?

An hon. Member: The Conservatives.

Mr. Johnston (Bow River): A fight to the finish to prevent the construction of the trans-Canada pipe line, good or bad. That is their position. Let me state further the Conservative policy as exhibited in the Ottawa *Journal*, and let me tell you that this is the

underlying core of the whole thing. On April 7 the Ottawa *Journal* in its editorial had the following heading:

Why All the Mad Rush Over This Alberta Gas Line?

I want to emphasize those words "this Alberta gas line". The editorial stated:

Mr. Frank McMahon, described as "Alberta's multimillionaire oil and gas promoter", bobs up to say—

I like that word "bobs".

—that he and his associates will undertake to build an all-Canada gas pipe line without government assistance.

Note this. Here follows the crux of the whole thing:

But even if some delay did occur what vital difference would that make? Reading certain newspapers and listening to certain politicians one might get the impression that if this Alberta gas pipe line is not built within the next two years half the people in eastern Canada are going to freeze to death for want of gas fuel and most of our manufacturing plants close down for the same reason.

This is plain nonsense; almost a form of hysteria. No one in eastern Canada, Toronto or elsewhere, will perish from cold and not a factory chimney will go smokeless if not a single cubic foot of Alberta gas reaches the east this year or next year or the year after; there are too many other available forms of fuel.

That is exactly the same position the Conservative party in this house is taking. They do not want Alberta gas down here to assist the provinces in western Canada. They do not even want to have that cheap fuel here for industry in Ontario and for the assistance of the people of Ontario. There is their whole argument in a nutshell.

The Chairman: I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired. May I say that I charged up a goodly portion of the time consumed on the point of order to myself and a small proportion to the hon. member.

Mr. Johnston (Bow River): I am only about half way through. I shall take another opportunity to finish it.

Mrs. Shipley: As most hon. members know, I come from the part of Ontario that has caused a good deal of the difficulty in the financing of this line. You will well understand how keenly interested I am. During the course of the discussions I watched all the changes and disappointments very carefully. There were no stages that were not of keen interest to my people. We have had power shortages in the province of Ontario before, as is well known to the Leader of the Opposition. At the present time the government of Ontario is determined that this shall not happen again.

[Mr. Johnston (Bow River).]

Today, at this particular stage of this debate, I wish to deal primarily with the criticism of the opposition. I have noticed—and I have been in this house for only three sessions—that the weaker the position of the official opposition and the fewer their arguments, the more vicious becomes the attack of the Leader of the Opposition. Yesterday, I would say, he reached an all-time low. His paucity of arguments reduced him to personal attacks on our leader and our cabinet ministers.

I was very pleased today to hear the chairman call a halt to such terms as "trained seals." I gather I cannot refer to that particular term again. I think it has been ruled out, but I was including that statement. I want to refer to the abuse that has been heaped on the backbench members of this party by the Leader of the Opposition. I see no reason in the world why the men and women of Canada who have been elected to come here because their constituents felt they were capable of looking after their business, should have to sit here, and simply because we show loyalty to our leader and unity amongst ourselves, be called "trained seals", "an anvil chorus", "sheep" and an "organized cheering gang" and told that we are "toeing the party line".

The Chairman: Order.

Mrs. Shipley: Am I out of order?

The Chairman: May I express the hope that the hon. member will refrain from this type of discussion. I found a short time ago that we reached an impasse very quickly in that regard, and I should like to express the hope that she will confine herself to the terms of the resolution.

Mrs. Shipley: Mr. Chairman, I had armed myself with quotations from this debate and previous debates where all these statements had been made by the Leader of the Opposition and I thought I would be in order, but I shall certainly agree to do exactly what you tell me.

An hon. Member: Trained seal.

Mrs. Shipley: Oh, I would never do anything that you might suggest. I suppose, Mr. Chairman, I may refer to the shout that went up yesterday when closure was announced. We heard shouts of "dictatorship" and so on. I had heard closure mentioned a few weeks ago and I wondered what it was all about. I took the trouble to read about it.

Mr. Fulton: Who mentioned it first?

Mrs. Shipley: It is unfortunate that it did not suit the purposes of the Leader of the Opposition and the leader of the C.C.F. party

to use the terms "mother of parliaments" and "cradle of democracy", with which these halls would have been ringing yesterday, because closure is a common practice there.

Mr. Fulton: Not on the first day of debate.

Mr. Pickersgill: Even before the first day.

Mrs. Shipley: I do not understand how they can use the term "dictatorship" when such is not the case. I went to the trouble of counting the number of times closure has been used in England and in the last seven years it has been used an average of 21 times per session, so, so much for your dictatorship. Furthermore, we were informed by one of the would-be leaders of the official opposition—

An hon. Member: Which one?

Mrs. Shipley: I will tell you in a minute.

Mr. Dickey: You are covering the waterfront now.

Mrs. Shipley: This hon. member announced in Toronto several weeks ago, I believe, that if we thought we had a filibuster last session —of course he did not use that awful word; he called it something else, but that is what he meant—we had not seen anything yet. Therefore it is a little late, I would think, for the opposition to suggest for one moment that they did not intend to engage in obstruction of the discussion of this subject rather than debate.

Mr. Fulton: Remember what happened last session. The government retreated.

Mrs. Shipley: There is one other point to which I think I may refer. Yesterday the Leader of the Opposition used the expression "tawdry and nauseating inversion of the truth." When I examined *Hansard* this morning I was delighted to note that even he could not stomach the word "nauseating" because it has now been changed to "insinuating".

Mr. Gardiner: Oh, changing *Hansard*.

Mrs. Shipley: From the beginning of this debate there has been misrepresentation of fact, misrepresentation of what the minister has said, from start to finish. I have watched it and have made many notes by way of proof. Yesterday I asked the Leader of the Opposition to state at what time and where the Minister of Trade and Commerce had ever said or suggested that the offer of 51 per cent of the stock to Canadians would guarantee control by Canadians. Of course, as all hon. members know, the Leader of the Opposition said he had not said such a thing. I want to refer to page 2172 of *Hansard* of March 15 of this year, where I find that the Leader of the Opposition had this to say:

> He said that control of this company is open to Canadians. That statement is a shallow pretence. That statement has no meaning and is not borne out by the facts.

At other places he said it was an attempt to deceive the Canadian people. Here is exactly what the minister said when he made his statement to the house a few minutes before the remarks of the Leader of the Opposition to which I have referred. As found at page 2166 of *Hansard* of March 15 the minister said:

> This offer has, to my surprise, been met with criticism, even derision, on the ground that it provides no guarantee that Canadians will buy the stock. Of course there is no such guarantee. Short of public ownership . . . I know of no means by which control by Canadians could be guaranteed.

The minister has been most meticulous in making that specifically clear any time he has ever mentioned the subject. Then every time any reference is made to Trans-Canada Pipe Lines it is referred to by the members of the opposition as our "protégé" or our "chosen instrument". Again and again it has been said, Mr. Chairman, that we did not choose the company. The company was chosen by the province of Alberta. At the time Alberta had surplus gas and was about to permit the export of that gas beyond its provincial boundaries there were two companies and two companies only that applied to the province of Alberta for such permission. Alberta was not quite satisfied that one company alone would be able to finance and handle the surplus gas, so ultimately there was an amalgamation or a shotgun wedding; I do not care what you call it. There was an amalgamation of the two companies.

Therefore at no time did we select the company. It was the only company with permission to export gas from Alberta, therefore if we wanted an all-Canadian pipe line there was no other company with whom we could deal. The federal government is the one that stipulated that the pipe line must remain on Canadian soil, and the people of northern Ontario are very pleased and happy that this was done. While I am on that particular point I should like to say that it is true there are not enough customers through that long stretch of land to make the line economically sound at the present time, but I venture to say that long before I am dead and gone it will be a happy day for Canada that the gas line came through that area.

It has been said again and again that there were other Canadian investors, but the only ones who have been named are McMahon and Gairdner. It has been pointed out again

and again that they have no permits either from Alberta or to export abroad, that they have no customers and no pipe. What is more, they have no gas. It would be foolish to start at this late date and attempt to let a new company conduct the necessary negotiations. What they would do about the millions and millions of dollars that have already been spent by Trans-Canada on surveys, the development of customers, and so on, I do not know.

The suggestion was made yesterday by the Leader of the Opposition and the leader of the C.C.F. party that the owners of the pipe, by not making the pipe available to McMahon, Gairdner, or anybody else who might want it, were holding a gun or a pipe at our heads. Who ever heard tell of people who pretend to be businessmen or who know anything about business even suggesting that a company in the United States that controls pipe, which is not only non-existent in Canada but is in very short supply and in great demand in the United States, should be told by the government of Canada to hand over the pipe to McMahon or somebody else. These arguments simply do not hold water, and it is a pity that the time of the house is taken up in having to listen to them.

With respect to closure, as I told you before I am a new member, but so far as I can see from my experience in the house closure will mean only one thing. We will have to listen to the same arguments from the same speakers probably six or seven times instead of 20 or 30. Already in the two addresses we have had from the Leader of the Opposition we have heard the same thing over and over again, and his arguments are just as unsound every time.

As to the McMahon proposal that we heard so much about yesterday, may I say this. There is something rather peculiar about that proposal. I would not like to say what it is, of course, but one could ask one or two questions. Here was a strange thing. A personal and confidential letter was sent to the minister concerned. The opposition pooh-poohed the fact and contended that it was not personal and confidential. May I say to them that if that is the way you run your business, that is your business; but we consider a personal and confidential matter to be personal and confidential unless we are released from that restriction, and I hope we continue to do so.

Here is correspondence, marked personal and confidential, in the hands of our minister concerned. But what happens in the meantime? Members of the opposition obviously have complete copies of that document. The newspapers in Canada obviously have full copies of that information. There is something extremely peculiar about that. When it became evident that the confidential information had been given freely to everyone else, our minister said it must be released. What happened? Within five minutes the offer was withdrawn. If that does not seem peculiar to you, may I say that it seems extremely peculiar to me.

I shall not refer to the statements reported in the *Globe and Mail* of May 10 made by the premier of the province of Ontario, but I should like to refer to what was said by the Leader of the Opposition in this house the first time this matter was up for debate. Then I should like to cite what was said prior to that time and available to everyone, in the legislature of the province of Ontario. This is what was said by the Leader of the Opposition as reported at page 2179 of *Hansard:*

> The Minister of Trade and Commerce spent some time speaking about the position of Ontario. It is well known that Ontario made another recommendation to this government. It is well known that Ontario prefers another method. It is well known that Ontario only adopted the course they have adopted because they want gas in Ontario. They have no control over this.

I suppose the same kind of pressure was put on the premier of Ontario that it is contended was put on Mr. McMahon. Now let me refer to what was said in the house by Mr. Frost; and may I say that the Minister of Trade and Commerce was not sitting behind him telling him what to say. I assume he said it of his own free will. I know the gentleman well, and I know that he says what he means. This is what he said, as reported at page 390 of the official report of the debates of the legislature of Ontario:

> I can assure you, Mr. Speaker, these difficulties are not small.

He was referring to the difficulties.

> It was not an easy matter to negotiate the agreement at all.

In reference to his first proposal—that is with regard to the five or more provinces coming in—he said:

> Apparently the Trans-Canada Pipe Line agreement provides for the quickest and most effective way of bringing gas to Ontario. I think the Glassco report—

That is the report of Clarkson and Gordon, one of Canada's most reputable investigating companies and one which was used frequently by the present Leader of the Opposition when he was premier of Ontario.

> —and the investigations made by our own agencies, show that in connection with an all-Canadian pipe line, owned and financed by the governments concerned, federally and provincially, there could be at least four provinces which would occasion

delay—as set out in the Glassco report—if indeed agreement among the five governments could be reached.

That is Mr. Frost. Then he said:

But if it gets down to a point where the Trans-Canada line falls down, would we then participate in a publicly-owned carrier line from Alberta to Ontario? I would say the answer is "yes", although I cannot overemphasize the great commitments we have already made, and I certainly express the hope that such participation will not be necessary.

That is exactly the feeling of this government. Then further, as reported at page 389 of the official report of February 21, 1956; he said this:

Mr. Speaker, if private enterprise can do the job, I would say it is altogether in our interest in Ontario, and, indeed, in the interest of Canada, that it should do it.

That is the position already publicly stated by the premier of Ontario at the time the remarks I have just read you—about it being well known that Ontario this and Ontario that—were made here. Further, to clinch the attitude of the premier of Ontario, in the periodical "Ontario Government Services" put out by the Ontario government, here is a quotation from Mr. Frost:

The government of Ontario has entered wholeheartedly—

Mark that word.

—into this agreement with the federal government in the fervent hope that the deal will be carried out as scheduled. The provincial government is aware, however, that Trans-Canada Pipe Lines Limited might not be able to carry through its part of the project. In this event, new ways of attaining the same end will have to be investigated.

As has already been mentioned by the hon. member for Bow River, a public statement by Premier Frost was just read with regard to the resolution now before this house.

The Chairman: Order. I am sorry to interrupt the hon. member, but I must advise her that her time has expired.

Mr. Harkness: Mr. Chairman, first I should like to comment briefly on two statements of the hon. member for Bow River. The hon. member for Bow River need be in no uncertainty whatever as to what the policy of the Conservative party is with regard to this pipe line. All he needs to do is read the speeches which have been made already in this house on three occasions by the Leader of the Opposition in which that policy was made crystal clear. There should therefore not be any uncertainty in anyone's mind as to what that policy is.

An hon. Member: What is it? Tell us what it is.

Mr. Harkness: When the hon. member for Bow River attempts to interpret Conservative policy himself from newspaper clippings, all he does is becloud the issue and try to confuse people's minds as to what is the clear position we have taken.

An hon. Member: What is it?

Mr. Harkness: It has been clearly placed on the record and I have not time to take it up again. I have some other remarks to make. The other point is this. The hon. member for Bow River made a completely ridiculous and untrue statement to the effect that the Conservative party does not want a trans-Canada gas line built at all—

An hon. Member: It looks like it.

Mr. Harkness: —and this in spite of the fact that this was the very first party to propose a trans-Canada pipe line.

Some hon. Members: Oh, oh.

Mr. Harkness: It was the first party to try to get a trans-Canada pipe line proposition going in this House of Commons and in the railway committee, and that at a time when the Social Credit party would not permit the export of gas from Alberta, so no gas line was possible at that time.

Mr. Dickey: Why do you give up now?

Mr. Harkness: That is the situation with regard to that. Through you, Mr. Chairman, I should like to point out to the Minister of Trade and Commerce that the insults and attempted insults in his speech yesterday do absolutely nothing to make a bad proposition more palatable. I might say that the unpleasant effect of his attempts along this line is heightened by the fact that his attempted witticisms and sarcasms always partake much more of the character of the meat axe than of the rapier. The minister's supreme insult to parliament, however, was his notice of his intention to move closure; and this, Mr. Chairman, before one single opposition speech had been made. Then he implemented that notice by actually moving closure at the beginning of today's sitting.

We have had in this house many examples of the arbitrary and dictatorial attitude of the Minister of Trade and Commerce, but this is the supreme example. It is another of the fantastic developments in this whole pipeline picture, and there have been many fantastic developments in it. It is almost unbelievable that the government should be backing a proposition such as we find in the Trans-Canada Pipe Line and be prepared to force that proposition through this house by closure. My home town paper, the Calgary *Herald*, wrote a long editorial outlining the pipe-line proposition and headed it "An Unholy Mess"; and it is an unholy mess. I am

not going to read this long editorial, but I think the heading at the top of it, "An Unholy Mess" is well substantiated by the editorial which follows. I would read only one sentence:

> It is almost impossible to believe that the Canadian people will permit their government n Ottawa to get away with its current proposals in regard to the east-west natural gas pipe line.
>
> The plain, ugly truth is that not only is the Liberal government prepared to allow control of a vital natural resource to slip out of Canadian hands, but is actually prepared to finance more than half the cost of turning that resource over to foreign control . . . with the tax dollars of all Canadian citizens.
>
> It is an incredible situation—

I repeat, it is fantastic. Now, in its simplest terms what the Canadian taxpayers are being asked to swallow in the legislation now before us is this. Out of a total expenditure on this projected pipe line of $350 million to $375 million, well over half or approximately $200 million is being put up by the taxpayers, and being put up for what purpose? It is being put up in order to assist a small group of United States oil and gas men to control the transportation, marketing and export of one of our great natural resources. The proposition, Mr. Chairman, is as simple as that. The minister and others in his party can make all the arguments they like to try to becloud the issue, but the issue is just as simple as that. The sell-out is just as apparent as that, and I believe the great majority of Canadian people see it in those terms.

Now, when it comes to the men in control of Trans-Canada Pipe Lines, these United States companies, it is only natural and human nature that these men will control it in such a way as to promote their own best financial interests. That is going to be the first object in their minds. The second object will be to serve the needs for gas in their own country; and third and last, to meet Canadian producers' needs for a market and the demands of Canadian consumers for gas. In other words, Mr. Chairman, Canadian interests will inevitably be at the bottom of the heap. Of course Canadian producers and Canadian consumers will get a poorer deal than they would under any reasonable scheme controlled by Canadians and operated primarily for the advantage of Canadians.

The members of the Liberal party seem to be intent on trying to heap as much scorn and ridicule as they can on Mr. Frank McMahon. As was pointed out yesterday, however, he is the only Canadian to build any large natural gas pipe line, or to finance it and have it under construction. I feel, therefore, that he can be considered as more of an authority on these matters than any of the gentlemen to your right. In his memorandum to the minister on the basic faults of the Trans-Canada plan, Mr. McMahon had this to say; and this is a statement of the realities of the situation, not the cover-up we hear now from the minister and others. These are the realities of this proposition:

> 2. Trans-Canada as presently constituted is controlled by United States financial interests and is dominated by Tennessee Gas Transmission Company so that the principal interests behind Canada's pipe line is dealing with itself as the principal purchaser in the United States. Trans-Canada, so influenced and dominated, proposes an uneconomic plan to favour Tennessee Gas to the detriment of Canada and at the same time requests the governments of Canada and Ontario to subsidize a $122 million pipe line "bridge" across northern Ontario in order to make it possible to put the proposal into effect.

Those, I think, are the realities of the situation. Any gloss the minister and others attempt to put over the facts I think will be detected for what it is.

Since that memorandum was written by Mr. McMahon the government has put forward the proposal now before us to lend Trans-Canada $72 million to $80 million to construct the easy part of the trans-Canada pipe line from the Alberta boundary to Winnipeg. The government has thus made what was an improvident proposition infinitely worse. The minister has attempted to offer a sop to Canadian sensibilities in regard to United States control by saying that 51 per cent of the stock of Trans-Canada would be offered in Canada, and thus control would be or could be kept in Canadian hands. What a palpably weak and unconvincing attempt in the face of the realities of the situation as outlined by Mr. McMahon, to which I have just referred. Does anyone in this chamber or anyone in Canada believe for a moment that the United States controlled companies which control Trans-Canada will not buy sufficient of this 51 per cent of stock to maintain that control? Does anyone believe for a moment they will ever, under any circumstances, voluntarily relinquish that control? It is another of the fantastic assumptions which the Minister of Trade and Commerce and others apparently would like to have us accept. It is just not in the books.

I should like to consider for a moment the position of the producers of gas under this present scheme. Is it more advantageous to the producers of gas than the alternative schemes which have been proposed? The answer is no. In that regard I refer once more to the evidence of Mr. McMahon, as found in that same memorandum. I should like to put point No. 4 on the record:

> 4. The existing pipe-line companies and utilities in the great plains-midwest area of the United

States are the logical markets for Canadian gas and are best able to pay a fair price and purchase large volumes for their present markets. Instead of selling gas in this market to the existing companies, Trans-Canada proposes to sell its gas to a company which cannot pay a fair price because it does not control the market and must construct millions of dollars of duplicating facilities to market Canadian gas and unnecessary pipe line link to its system in Tennessee merely to comply with the policy of the United States requiring the use of Canadian gas only as a supplemental supply. This is shown by the fact that the Tennessee company will pay Trans-Canada some $2 million a year less for Canadian gas than would have been paid by Northern Natural Gas Company an existing pipe line from the United States, under its proposal to purchase approximately the same volumes.

Mr. Dickey: But they were turned down by the federal power commission.

Mr. Harkness: They were not turned down by the federal power commission, because Canadian gas was not available and was not going to be available for some time.

Mr. Dickey: They were turned down because the price was too high.

Mr. Harkness: I think there is no doubt that from the producers point of view we have, in this present proposal, a plan which will give the producers a lesser price in order to benefit the United States, the Tennessee company. The minister attempted to confuse this issue also by pointing to the example of the Westcoast Transmission Company, where you have a totally different situation and where the federal power commission as a matter of fact tried to put the Westcoast Transmission Company at the mercy of the United States producers, by refusing to allow it to carry the gas across the boundary. When you try to compare the price the company is getting under those circumstances with the price you might be getting at Emerson, that is a wrong type of comparison.

In addition to all this, the success of the Trans-Canada plan is dependent upon the United States federal power commission giving permission to Tennessee to import Canadian gas at Emerson and at Niagara. It is abundantly clear that this permission will not be secured for some years, if ever; yet in the face of all these facts which I have been talking about the minister in announcing the proposal now before us said at page 3665 of *Hansard* for May 8:

The action proposed today is another declaration of independence by Canada, affecting the building of an all-Canadian pipe line.

I would say it is hard to imagine any statement on the pipe line which contains such utter nonsense as that. The Winnipeg *Free Press* in commenting on that statement on February 9 characterized it as poppycock and went on to say:

Under the new plan, all we will have without United States approval is a hopelessly uneconomic pipe line. The taxpayers of Canada will have spent $80 million on a white elephant.

Surely the Minister of Trade and Commerce is not so hopelessly confused on this issue as to believe his own statement which I have just read. If he is that confused I do not think many other Canadians will suffer from what we should perhaps call equally childish mental processes. The thing is so palpably wrong and ridiculous that I wonder how the minister could ever make such a statement.

To turn to another phase of this matter, the chief argument and bait put forward by the government and its supporters in favour of this scheme seems to be in regard to the urgency of getting the pipe line built at once. They say in effect that this must be done immediately, that this is the only scheme under which it can start in June in order to have the Alberta-Winnipeg leg completed this year. This line of argument, these cries on the part of the government, remind me of two phrases which we used to hear very frequently before the last war. These are phrases which all hon. members will remember; "peace in our time," and "peace at any price".

Mr. Hosking: The Conservative slogan.

Mr. Harkness: If we paraphrase those slogans we would have "a pipe line this summer", and "a pipe line at any price". These seem to sum up in slogan form what the government are saying and the arguments they are advancing.

As far as the first slogan is concerned, I think all Canadians would like to see the first part of the trans-Canada pipe line built this year. But I do not think many Canadians are in favour of a pipe line at any cost; at the cost of United States control of this great resource; at the cost of reduced returns to the producers, and at the cost of an uneconomic line. The cry of the government now is the absolute urgency of getting the pipe line started. In view of that it may be well to ask who has been responsible for the delay of some six years since this project was first talked about. To begin with, the Alberta Social Credit government held it up by refusing to permit the export of gas from Alberta.

Mr. Blackmore: Why did they do that?

Mr. Harkness: Therefore the first responsibility for delay lies with them. In spite of anything they may say, the first responsibility for delay lies with the Social Credit government of Alberta. Since the time Alberta

agreed to permit export the responsibility has been shared by the dominion government and the Trans-Canada Pipe Lines company. The latter failed to live up to the assurances it gave when it received its charter, and did not succeed in its financing. For a long time the government could not make up its mind what to do. Finally the Minister of Trade and Commerce performed this shotgun marriage of the original Trans-Canada Pipe Lines company and another company.

The new company failed to finance once more, and the government did not know what to do. There was another long delay and a lengthy period of indecision while the government was trying to make up its mind. Then it brought forward the proposal for the northern Ontario bridge to help the company. The latter still failed to get going. And now in the past few weeks we have the government labouring mightily to try to reach a decision as to what is to be done. Finally the present scheme is put before us and after all these weeks, months and years of delay and indecision on the part of the government, we are asked here in the House of Commons to rush the thing through immediately. It is suddenly urgent and must go through without any delay whatever. The Minister of Trade and Commerce moved closure even before anyone else had a chance to speak on the matter.

It is quite apparent, Mr. Chairman, that the real urgency in this matter is political. I have not time to go into that, though I had hoped to do so to some extent. That is the real urgency as was stated in another editorial in the Calgary *Herald* of May 4 which says:

> There will almost surely be a general election next year. And the Liberal government has no stomach for that fight if it has to go in to the ring with a half-dead pipe line project around its neck.
>
> It is plain that the urgency is political, not urgency to do the proper thing in the national interest. It's important to remember that.

I think Canadians will remember that. I am sorry I cannot go into what is the actual emergency in regard to this matter from the economic point of view. There is some real urgency as far as Alberta is concerned to get a market for its gas; there is no question about that—

Some hon. Members: Oh, oh.

Mr. Harkness: I hope you will not deduct this outburst from my time, Mr. Chairman. That is the only real economic urgency there is, to assist in the development and exploration of Alberta gas and oil resources but—

Some hon. Members: Order.

[Mr. Harkness.]

The Deputy Chairman: Order. I am sorry to have to inform the hon. member that he has exceeded his time.

Mr. Beaudry: Mr. Chairman, it is a great pity—

Mr. Hees: Well, this is strictly for laughs.

Mr. Beaudry: Is it not a great pity, Mr. Chairman, that the Leader of the Opposition has selected this occasion and the topic of pipe lines to play Don Quixote and joust with windmills, especially with windmills of his own fabrication?

Mr. Hees: It did not go over; no laughs on that one so far.

An hon. Member: That was a dud.

Mr. Beaudry: The time, the place, and the subject hardly call for the levity of mountebanks—

Mr. Hees: There is nothing flatter than a joke that does not go over.

Mr. Bell: Who wrote that one?

Mr. Beaudry: Mr. Chairman, did I hear "once upon a time" Hees?

Mr. Hees: Still very weak laughter.

An hon. Member: You mean "once too often" Hees.

Mr. Beaudry: —or the petulant, puerile and often pompous plea for procrastination.

Mr. Hees: No laughs at all on that one.

Mr. Beaudry: We are talking about a fairly serious matter, at least on this side of the house. I would like to believe that the concern of the Leader of the Opposition for the ownership of natural gas pipe lines by Canadian majority interests stems from both a sense of realism and a sense of public duty. Having failed to convince one, at least, of his followers—and that one the most likely to best assess the situation and the weight of his leader's views—I fear he will also fail to convince this house and the country. The country will not forget that if at this time in our political history it is possible for anyone to even suggest that a billion dollar project should be undertaken or could be undertaken with Canadian capital only, it is precisely because Canada has made such tremendous economic strides in recent years, and this under the very aegis of the sponsor of this resolution and of this government. As between the Leader of the Opposition and the Minister of Trade and Commerce this country has good and sufficient reasons for believing in the deeds of the one rather than

in the flow of words of the other. There has been no equivocation as to that since 1935, and still less since 1948.

The Leader of the Opposition will not convince the country because he omits to mention that his bosom pal, "autonomic" Duplessis, has just sold to what I believe to be United States interests the exploitation of—fancy that—the gas branch of Quebec hydro. He will not convince the country because the current president of the Conservative federation and the immediate past president have not yet determined which theory or speech sounds best, and where, when, and which version is best suited for Quebec, for Ontario and elsewhere, and which one of Duplessis' Ungava policies or of Bennett's hegira to London is best adapted for public wooing.

There is natural gas in Alberta, and approximately one-sixth of it is going to waste daily because it is not being tapped and is seeping out and vanishing into thin air. There is natural gas in Alberta. Alberta is one of the ten Canadian provinces, and it is the duty of Canada to help exploit a natural resource. So far this seems to be sound, even to the opposition, the more so since a large part of Canada will benefit from the advantage of gas. This would eliminate imports of natural gas and would be particularly interesting to the hon. member for Cape Breton South, because it would reduce our imports of United States coal by approximately $200 million a year. To achieve this a pipe line has to be built.

But in the many words of the opposition we should not have a pipe line yet because the Canadian people would have to endorse a note for $72 million redeemable on April 2, 1957 and carrying a 5 per cent interest charge. Is there any security? Yes, there is the pipe line and all movable and immovable assets of Trans-Canada Pipe Lines Limited. But to the Leader of the Opposition that is hardly enough. It is not substantial and concrete enough. He would rather ask for names on a board. The need for a pipe line is urgent. The hon. member for Calgary North has just stated that. Many Canadians realize the need is vital, but all the opposition, whether Conservative or C.C.F., seem oblivious to one thing.

We of the Liberal party who constitute the government are the ones, and the only ones, to whom for 21 historic years the financial, economic and social advancement of this country and the stewardship of Canada's patrimony have been entrusted. We are, and we have been for better than two-thirds of the life of confederated Canada, the country's trustees for what is good and sound for Canada. I have seen many elections, and in all the elections since the advent of the present Leader of the Opposition we have been happy to have our policies, our concept of Canadianism and our administration scrutinized and I trust approved by the six million-odd citizens of Canada who in the final estimate select those who occupy these seats.

Come that time of scrutiny, and fortunately it will be soon enough that no one may have forgotten this debate, neither the protagonists of the pipe line nor the antagonists, whatever the premise may be for their views, we on this side shall have this to say to our fellow Canadians: Entrusted by you with the task of safeguarding your interests, moral, physical and financial, now and in the future; satisfied that the future of Canada and of each Canadian, old or new, lies in the fruition of each of the natural assets with which providence has endowed Canada; believing in deep conscience that one of the ten provinces of Canada, Alberta, offers undeveloped natural assets, the exploitation of which would enhance the economic position of a great number of Canadians, if not of the majority; fully conscious of the responsibility which devolves upon us through the trust placed by you in us to implement your hopes for a greater Canada by deed, by constructive deed and by effective and speedy deed, we deem it our duty to Canada, to the vast majority of Canadians who have told us by their ballots to look after their interests, to do this and to say this: "There shall be a pipe line; it shall be constructed as of early June this year; the means: whatever is best for the purpose of speedy, efficient construction in the interests of Canada, and not the means advocated by dilatory parties for dilatory purposes and for spurious reasons."

If all Canadian capital is not available today and if the money of the taxpayers is required and if construction should start today —and construction must start today—let us use all sources of capital. The origin of the capital is relatively unimportant provided we do not lose sight of the country's interests. What is important, what is essential and what is paramount is that we act now. We shall; and we will stand on our doings come the next election.

Mr. Campbell: Mr. Chairman, the matter we are discussing today is without doubt one of the most important matters that has come before the House of Commons for many years. What is the House of Commons set up for? What have we a parliament for? My idea of parliament is that it is a debating ground, a place where policies are hammered out. The government presents its policies to the

house; the house has an opportunity to debate such policies and by its decision indicate what it thinks are proper policies. In my short time in the House of Commons I have seen the odd time when the government has recognized as good some ideas that have come from the opposition. That has not been very frequent, but they have accepted some of those ideas. But on this most important matter—no debate. If the government had been faced with a long debate where it had got to the point that there was a repetition of speeches by the opposition, they might have had some excuse to put on closure. I think there is absolutely no excuse for putting on closure the second day, and this government will live to regret the action it has taken.

When I prepared my speech I put it in two parts. The first part was to discuss this company, and the next part was to discuss the policy we in the C.C.F. thought the government or the people of Canada should put into effect. Under the 20-minute rule our leader was not able last night to bring out the policy of the party in this regard as well as cover the other matters that are in the resolution.

However, first of all I want to protest against the unholy alliance and this wildcat scheme the government has at the present time. What is the position of Trans-Canada today? They want to build a pipe line on a shoestring. They do not have any money. They want the people of Canada to build a pipe line for them; then they will operate it, control it and make the profits that are to be made out of it.

This company came before the committee on railways, canals and telegraph lines in 1951 and made a number of commitments. I had intended to put some of those commitments on the record, but I have not time to do that. A great many of those commitments they have not been able to carry out. The whole picture has changed. From what they said in 1951 the picture has changed very materially. To be brief, I claim that this company after five years has shown a total inability to fulfil its contract. It is not worthy of any further consideration, and should be ruled out of the picture at the present time.

Now I want to deal with what the minister said about the only other alternative policy. I am one of those who recognize that the province of Alberta has a tremendous amount of gas it wants to sell. We realize that, and we want them to have the opportunity to get rid of that gas. We recognize also that power and heat are needed more and more as eastern Canada has been growing so rapidly, and we want to see these two brought together. But to do that we have to have something more than a company that is built on a shoestring.

The minister, speaking yesterday, made the statement that there was only one other alternative, and that he did not want that because it would not be very popular with some people. I do not think "popular" was the word he used. This is what he said, as recorded on page 3860 of *Hansard*:

> No criticisms or tags such as "chosen instrument" here cast upon Trans-Canada Pipe Lines Limited will alter the fact that only that company has gathered together the gas purchase and sales contracts, the governmental permits, the organization and the access to pipe which make possible a start this year upon the pipe line.

There is no indication there that this line will be built to Winnipeg this year, but the minister says they are the only ones who can make a start. I just want to analyse that short sentence, "the fact that only that company has gathered together the gas purchase and sales contracts."

This company cannot fulfil its contracts. This company cannot fulfil those contracts it made with the province of Alberta. The province of Alberta is going to sell that gas to whoever has the pipe line. There is no question about that. If the government set up a crown corporation to build that pipe line right through Canada, would there be any doubt that the province of Alberta would sell that gas? They have to get rid of it. Then I come to the sales contracts. Do you mean to say that people in eastern Canada are too much interested in who is going to operate the pipe line, as long as they get gas?

An hon. Member: Would the hon. member permit a question?

Mr. Campbell: No, I will not.

An hon. Member: Sit down.

Mr. Campbell: Does the minister or anybody on the other side of the house—and they may follow me whenever they like—say that the people who want to use gas in eastern Canada are going to turn down the possibility of getting gas if it is operated by a government agency? Absolutely no. Those contracts are just as good for a pipe line operated by a crown corporation as they are for the present company, which cannot fulfil its commitments.

An hon. Member: Who is going to get a permit to transport it?

Mr. Campbell: That is all right.

Mr. Fleming: Speak at the proper time.

Mr. Campbell: Just keep your mouth buttoned up for a while. The minister says this is the only company that has access to pipe,

and that they have an option on this pipe. Surely if anybody takes out an option on something, it does not matter what it is, and if they cannot take up that option, what happens? Is that option going to continue forever? No; there is a time limit on all options. When those options expire, the pipe company is in a position to sell its pipe to somebody else. The government says it will perhaps take until 1958 to get pipe. That pipe was made for the trans-Canada pipe line, and the company that made the pipe will sell the pipe to whatever agency builds the pipe line.

I want to say something about private ownership. I believe the people of Canada will be better served under a public ownership system such as the minister has himself been talking about, because a government agency or a public utility is set up for the purpose of providing that public utility at as low a cost as possible. We have had illustrations of public utilities in Canada for many years. This year the Ontario Hydro-Electric Power Commission, which had a wonderful period of success, are celebrating their fiftieth anniversary. I want to read to the house just two of the congratulations that appeared in today's issue of the *Globe and Mail* to Ontario hydro on their accomplishments during the past years. I just picked out two at random. The Davis Lumber Company said:

> We wish to extend our best wishes to Ontario hydro on the celebration of their 50th anniversary and to offer our congratulations on their magnificent accomplishments through the years.

I just wonder how many congratulations we can offer to Trans-Canada Pipe Lines today on the accomplishments they have made during the past years, and I wonder whom in the next 50 years the people of Canada are going to congratulate—

An hon. Member: C. D. Howe.

Mr. Campbell: —on their accomplishments. Are they going to have an opportunity to congratulate a crown corporation that has given them gas at cost, or as near cost as it is possible to offer it, or are they going to say, "We wish we had never seen Trans-Canada Pipe Lines"?

Another statement of the minister's about which I wish to say something is the one he made about the organization of this company. The minister said:

> It has an organization of men experienced in pipe-line construction and operation.

I wonder just how much of an organization these people have. These people have been drilling oil and gas wells. That is the kind of organization they have. They have got an organization to drill oil and gas wells.

I want to say something about what has been done to give the minister an idea of what can be done. In the province of Saskatchewan we found gas only two or three years ago. What did we do in Saskatchewan? The government decided that the best policy, the policy that would suit the interests of the people of the province, would be for the government to build the pipe lines. The government did not have an organization but it did not take very long to set up an organization. They set up their organization. They got an experienced contracting firm with experienced men from the United States to come to Saskatchewan and build their pipe lines for them. The people of Saskatchewan, especially the people in the city of Saskatoon, were amazed at the speed with which the pipe lines were built. Within the next year our cities will all have gas and we are rapidly approaching the point where every fair-sized community in the province will be served.

I want to say something else to support my contention that the federal government should have its own crown corporation go ahead and build the pipe line. It is quite significant that the Toronto accounting firm of Clarkson, Gordon and Company, who were appointed by the Ontario government to look into the economics of the whole pipe line, declared in their report that "an all-government owned pipe line would be economically feasible even though no sales were made to the United States."

Other advantages of a publicly built line are obvious. The government can build the line much more cheaply because it has the ability to raise money more cheaply than a private enterprise firm. The interest rate factor is extremely important. A crown corporation with government guarantees could raise money at 3 or 3½ per cent, while private firms would have to pay, for a construction project of this kind, almost double the interest rate on money borrowed.

The annual carrying charges on a government owned project have been estimated at 6 or 6½ per cent and on a privately financed project 13 to 14 per cent, or about double. It is quite apparent that, apart altogether from the important fact that a government owned line would place the control of this vital energy resource in Canada, it would also mean a substantial financial saving to Canadian consumers.

Again, an income and a sales tax apply to privately financed projects but not to a project built by a crown company. Further, government backed schemes can be amortized for a period as long as 40 years while privately financed schemes can only be amortized for about a 20-year period. As a result, for the

publicly financed scheme carrying charges over the period can be reduced approximately by half.

I should like to make an appeal to the Prime Minister that he and his government reconsider the attitude they have taken, that they reconsider the closure motion and that they tell us before eight o'clock tonight that closure has been removed. I should also like the Prime Minister to talk over again with his ministers the idea of stopping this wildcat proposal and bringing in another resolution which will set up a crown corporation for the purpose of building this pipe line.

The Deputy Chairman: The hon. member for Calgary South.

Mr. Green: On a point of order, Mr. Chairman, you have had a list of the speakers who are supposed to speak for our party today and the next speaker on our list is the hon. member for York-Humber. I should like that understood and I think she should be given the floor.

The Deputy Chairman: The hon. member for Vancouver-Quadra raises as a point of order the order in which speakers are called from the chair. I think the hon. member for Vancouver-Quadra and the committee as a whole will realize that officially there is no such thing as a list and that the chair is not bound by a list. I am going further perhaps than my responsibilities at the moment go because I consider that it is fair to all that the situation in which I find myself at the moment should be known.

The hon. member for Vancouver-Quadra as spokesman for the official opposition—I do not mean to say this personally—states that a certain member was the next speaker on the list for his party. I may say that it had been my intention, and I think it would be the intention of whoever was occupying the chair, to call that member when the next understood turn for the official opposition came around. In the ordinary routine, which is not a matter of order and not binding either on the chair or on the house, it would not at the moment be the turn of the official opposition. It would be the turn of another party.

I may say that all the whips with the exception of one—I have not seen the Social Credit whip today—have indicated the order in which they wish their members to speak, and all the whips have agreed on the persons who should speak in the time unofficially allotted to their particular parties. Any time taken by the hon. member for Calgary South, who as a member of the house has full right to be heard in the same way as any other member, and it is the duty of the chair to call him, will not be charged up to that unofficial time which as a matter of courtesy, is allocated to the party for which the hon. member for Vancouver-Quadra speaks.

Mr. Green: On the point of order, I take it then that I am to understand that this time is being allotted by the Liberal party?

The Deputy Chairman: I may say first to the hon. member that the question of the order in which persons are heard is not a matter of order other than that it is the privilege of anybody to rise to his feet and move at any time that a certain hon. member be heard. That motion, as I understand it, is always accepted. But as there is no desire whatever to put the party of the hon. gentleman who has raised the point at a disadvantage, I may say that I would most likely have seen a Liberal member at this time if I had not seen the hon. member for Calgary South.

Mr. Green: As long as we understand it.

The Deputy Chairman: However, the matter is not a point of order. I answered the point because the hon. member who raised the question quite obviously thought that an injustice was being done to the party to which he belongs.

Mr. Johnston (Bow River): As a matter of information, it is a little difficult to hear and I should like to ask you, Mr. Chairman, if the acting leader of the Conservative party is now ruling out one of their own members from the right to speak?

Some hon. Members: Hear, hear.

Mr. Fleming: The government has already ruled out a great many by their infamous closure motion.

Mr. Nickle: Mr. Chairman, I trust that the time that has been devoted to the discussion of the point of order in the last two or three minutes will not be charged against the 20 minutes allotted to me. I rise to support this resolution providing for government assistance to get the trans-Canada pipe line project rolling this year. I support the plan not because I believe it to be the best solution but because the only other politically possible alternatives to it would involve more long delays, higher costs, a further denial of industrial and population growth particularly in western Canada, and a far heavier burden upon the whole Canadian economy than the present plan.

I deeply regret that some have chosen to inject various elements of emotionalism based largely upon inaccuracies of fact and also upon misunderstandings of the basic problems

at issue. The necessity for this present resolution stems from just such elements in the months prior to the 1953 Canadian general election. The disregard of economic factors then has, to some extent, carried on to the present. Efforts to make political hay now for the 1957 general election by similar strayings from the realm of fact into emotionalism might win some votes, but at the expense of lasting damage to Canada's future.

I deeply regret that I am at variance with my Conservative colleagues in this house on the issue now before us, for I firmly believe in the basic principles of the Conservative party, and believe also that, for Canada's sake, it is logical and essential that the Conservatives rather than some other party should succeed the Liberals as the government of our country. But where the application of political expediency is contrary to what I honestly believe are Canada's best interests, I have no alternative but to disagree.

Later in my remarks I will deal specifically with various points raised in this house and in the press, criticizing this particular resolution and the Trans-Canada company. I hope these facts in rebuttal will be of some value to this house in its deliberations.

I mentioned earlier that there are possible alternatives to this present pipe line plan. Regretfully, I can no longer include among prospective alternatives the policy of soundest economic planning of pipe line routes and markets, of which I have been an advocate for several years. That must be ruled out as an alternative—at least now—because neither the major advocates nor the major opponents of the proposals now before us are willing to back away from their commitment to the costly and uneconomic northern Ontario pipe line route as a prime requisite of the first pipe line east from Alberta. I am confident that we would not now be debating this resolution had it not been for that requirement, for a major gas pipe line reaching into eastern Canada by a more economic route would have already been financed by free enterprise, and would have been either in the final stages of construction or fully in operation.

Who is to blame for this situation? In part, blame must be assessed on the Clint Murchison interests of Texas, original proposers of the trans-Canada pipe line, for coming forward with a proposition based on meagre engineering and economic studies, one dependent for "financeability" on a tight squeeze at both ends of the pipe line—low prices to producers, high costs to consumers—and a greater willingness than normal on the part of insurance companies and other investors to put up about $275 million without real assurance of any normal return. I might point out that the present Trans-Canada company is a far different proposition than it was in the days that Murchison was the sole owner. Murchison and his interests have now been reduced to a minor interest and will become a much more minor interest after public financing when they will be replaced in large degree by a large measure, I hope, of Canadian public investment.

But, Mr. Chairman, even greater blame for the present situation lies upon those in politics—and they come from Liberal, Conservative and socialist parties—who quickly leaped without looking upon an "all-Canadian gas pipe line policy" bandwagon in the preliminaries to the 1953 general election. You may recall that it was in March, 1953 that I first took public issue with my party and the government and pointed out that a gas pipe line from Alberta to eastern Canada confined to a Canadian route and to Canadian markets was not economically feasible, and urged a careful reappraisal of that and more economic alternative plans. The request was disregarded.

During the 1953 election Liberals and Tories rather solidly committed themselves to and sold the Canadian public on the "all-Canadian route and market" idea, in some of their statements going well beyond even what the agents for Murchison were willing to commit themselves to. So did the socialists but they, unlike the two major parties who favoured private ownership, plumped for a socialized project with all the evils that I am confident a socialized project would involve.

Mr. Ellis: Mr. Chairman, I submit that the hon. member is reading every word of his speech from a prepared statement.

An hon. Member: Sit down.

Mr. Ellis: I rise on a point of order, Mr. Chairman. I submit that the hon. member is reading every word from a prepared statement, contrary to the rules of the house.

The Deputy Chairman: I think it is fairly well known in this committee and in this house at the present time that so far chairmen and Speakers have found it impossible to enforce any rule against the reading of speeches.

Mr. Knowles: But there is such a rule, is there not, Mr. Chairman?

Mr. Nickle: Mr. Chairman, may I say that I am following extensive notes. I would far rather follow notes for the short time left to me and deal with this subject in detailed form than talk blindly without them.

Northern Ontario Pipe Line Corporation

In 1953, nearly all blindly ignored evidence that eastern Canadian gas distributors objected to the proposed high selling prices under the "all-Canadian" plan and that western Canadian gas producers also objected to selling their product at a somewhat lower price than available through another proposed pipe line that would initially serve Canadian prairies and United States markets, and at a later stage serve eastern Canada. Worst of all, none of the advocates of the so-called "all-Canadian" policy, which was essential, they claimed—and still do, and there is a good deal of merit in the argument—to the national interest and to the industrial development of northern Ontario and to which they were publicly committed, were publicly willing to admit any obligation of the nation and particularly the province chiefly benefiting, namely Ontario, to relieve producers, consumers and investors of any part of the extra burden imposed by the national policy. I refer, of course, to the much higher capital costs and lower potential earning rate of the politically desirable project as compared with the most economic pipe line route and market development plan.

The delays in starting construction—to which gas purchase and gas marketing contracts, and finances are essential—stem primarily from the slow descent from the clouds of patriotic emotion to the ground level of economic fact-facing by Canada's political leaders. Also a major factor in the delay has been the rising cost of the "all-Canadian" project, now up a cold $100 million to an estimated $375 million. The biggest part of the cost increase is due to rising labour, steel and other material costs; the balance to a change to bigger-diameter pipe, and route changes in northern Ontario. Pipe, labour and other costs are going higher, making more urgent an early start of construction.

Meantime, out in western Canada—particularly in Alberta—new discoveries of natural gas reserves have been piling up surplus, shut in for lack of markets, at an average rate of some 4,000 billion cubic feet per year. So far, some $150 million in hard cash has been invested by a host of Canadian and foreign companies in gas lands and wells which have no market and no income and are eating up interest at a rate that could soon crush some of the smaller Canadian companies and seriously curb even the big firms if the bars to export are not quickly torn down by the construction of pipe lines.

The successful results of gambling large sums of money on gas exploration, and the growing knowledge that only the surface of our west's huge gas potential has been scratched, are rapidly convincing more and more Canadians in high places that our national gas policy should be based on recognition of long-term surplus and not fear of shortage, a stand I have urged in Alberta and in this house for several years.

The Social Credit government of Alberta and the Liberal government of Canada have become increasingly realistic in their recognition of gas surplus, and thus their growing willingness to allow a larger—but still tiny—percentage of the rising surplus to go into markets outside Canada. This government also now realistically recognizes—although I regret some of my colleagues in the Conservative ranks apparently do not—that the larger the volume of gas sold by Trans-Canada into American markets, the more economic will the project become, for the benefit of Canadian consumers and producers, by reducing the transport cost of gas moved between Canada's west and east.

There is also another vital fact that is realistically recognized by this Liberal government and by the Conservative government of Ontario, even though some of the Conservatives and Socialists in this house seem to be unwilling to concede it. That fact is that no pipe line company, no matter who its backers are, can hope to secure full finances from the insurance companies, banks and private investors—Canadian or foreign—until it ties up sufficient gas purchase and sales contracts, and necessary government export and import permits, to ensure an adequate minimum of income at least to service its bonded indebtedness.

The present Trans-Canada company which has been greatly increased in financial strength and vastly altered in its pre-public-financing ownership, has since the changes a few months ago made a tremendous amount of progress in gas purchase and sales contract negotiations. Its gas purchase contracts in Alberta now amount to almost 100 per cent of requirements, and the small balance will be arranged for very shortly. Sales commitments in eastern Canada and the prairies now amount to over 90 per cent of the required minimum. A firm contract has been entered into with Tennessee Transmission company for large volume highload factor sale of Canadian gas at Emerson, Manitoba, at most satisfactory prices, contrary to some erroneous reports, and for short-term import of American gas at Niagara for use in the buildup of Canadian markets east of Toronto as far as Montreal.

Trans-Canada also, as the Minister of Trade and Commerce pointed out yesterday, has the only available guaranteed supply of pipe to be found to do the job this year. One vital factor still stands between Trans-Canada and its ability to publicly finance the

quarter of one billion dollars it needs for the portions of the pipe line in Canada not covered by the northern Ontario government project. That is, of course, the federal power commission approval in Washington of its contract with Tennessee. Particularly important is the $8 million per year minimum that approval of the United States import would provide Trans-Canada for transport of gas between the Alberta-Saskatchewan border and Emerson, Manitoba. This income is after deduction of the purchase price of gas at the Alberta border. This anticipated income was a major factor in enabling Trans-Canada to reduce its proposed selling prices to Canadian customers to a level that made signing up of customers possible within recent months. Without the assurance of that minimum income from transport of gas for export, it is unlikely that Trans-Canada, or any other company, can raise money for construction, unless the consumers of eastern Canada would be willing to boost their prospective gas bill by $8 million yearly or the Canadian and Ontario governments would be willing to provide annual subsidies of that amount. Both of these alternatives are highly unlikely.

I am not as riled up about the federal power commission hearing in Washington or as pessimistic about timing of imports approval by the federal power commission as some members of this house. I believe, approval is not only inevitable, but that the odds now favour a decision before next spring. The actual construction of a pipe line across the prairies this year, assuring the federal power commission that the availability of Canadian gas at Emerson is a reality and not the pipe dream it was during the abortive federal power commission hearings of an important application over one year ago, is the best guarantee possible by Canadian action to win the desired result. This proposed export at Emerson, which the government approved despite strong resistance from some in this house, takes a sizeable part of the burden off Canada in making an all Canadian route pipe line financeable. Canadians are the beneficiaries, regardless of whether Canadians or foreigners own the shares of the pipe line.

Another step to help make the project feasible is one of those involved in the government's resolution, the joint federal-Ontario construction of part of the northern Ontario pipe line, for leasing to an ultimate purchase by Trans-Canada. Under the contract involved, the government company will get less than normal return of interest and depreciation during the initial tough years of eastern Canadian market buildup for gas, thus greatly improving the financeability of the over-all project, but is guaranteed a return of at least 3·5 per cent on investment plus depreciation by levying a first charge against profits of the whole balance of the privately owned pipe line system when that system gets into a profit position. Over the term of the lease, Trans-Canada is going to average out with a cost saving of only the difference between 3·5 per cent and normal commercial interest rate, which would amount to around $1,250,000 yearly, although the deferred portion of costs during early years will in effect provide a greater aid during the early years.

Contrary to some claims, the Trans-Canada company will not get the benefit from the interest saving. All the benefit, and more, will go to the gas consumers of Canada, with the principal benefit going to the Ontario consumers. This is because, as a direct result of the government plan, Trans-Canada has been able in recent months to reduce its contract charges to Canadian gas purchasers by an amount that will exceed $2,500,000 per year during the first few years, and by progressively larger amounts as Canadian gas purchases increase.

The second phase of the resolution involves a federal government short-term loan, at 5 per cent interest, of 90 per cent of the cost of construction of Trans-Canada's pipe line as far east as Winnipeg in order to get it done this year and, among other things, meet the urgent need for gas at Winnipeg. Trans-Canada itself will provide about $7,500,000 of the cost, boosting its total investment to over $21 million by this year end. The plan is sound, from the government's point of view, for if the company cannot complete its full quarter billion dollar financing by next April 1, the government takes over a going pipe line for 90 per cent of cost, plus the very sizeable other assets of the company in the form of gas purchase and sales contracts, rights of way, engineering data, and so on.

The prairie pipe line, so long as it is confined to prairie markets, will earn operating costs from gas sales, but cannot earn interest charges. The $4 million a year interest will, however, be money well invested; for if the pipe line is not built this year at current steel and labour costs, it will cost an additional amount to build in future years far greater than the interest lost. If the company finances its project in full by next spring, which I am now quite hopeful of, it will pay off the government with full interest. If it fails in its earnest efforts the government gets a pipe line and other assets at far less than cost, and the companies who now back Trans-Canada will take a financial licking 30 to 40

times the mere $500,000 that Frank McMahon offered as a performance bond.

The Deputy Chairman: It is my duty to inform the hon. member that his time has expired.

Mr. Nickle: I shall carry on the next time I have the opportunity.

The Deputy Chairman: The hon. member for York-Humber. It being five o'clock, the house will proceed to consideration of private and public bills.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY

Mr. John Decore (Vegreville) moved the second reading of Bill No. 291, respecting Canadian Pacific Railway Company.

He said: Mr. Speaker, in this bill the Canadian Pacific Railway Company is seeking authority to build a branch line of railway for a distance of some 20 miles southerly from a point near Brocket, Alberta. As most hon. members probably know, all railway companies must come to parliament for authority to build a branch line which is longer than six miles, by virtue of section 183 of the Railway Act. Brocket is situated in the southwest corner of the province of Alberta and is on the secondary main line of the Canadian Pacific Railway between Vancouver and Medicine Hat, which runs through the Crowsnest pass.

The branch line will be built in a southerly direction to a property owned by Canadian Gulf Oil Company, where at the present time a plant is in the course of erection to process the natural gas developed from the Pincher Creek field by the Canadian Gulf Oil Company. It is not expected that the construction of this line will cause any great difficulty. The first five miles of this line will pass through the Peigan Indian reservation and I understand satisfactory arrangements have been made between the Canadian Pacific Railway Company and the Indian band on that reservation.

I should like to point out, Mr. Speaker, that one of the significant sources of natural gas in Alberta is in the Pincher Creek field in the southwest portion of the province. This field has been discovered and developed by the Canadian Gulf Oil Company.

The gas at Pincher Creek is a sour wet gas. In other words, it contains approximately 10 per cent hydrogen sulphide. In the formation the pressures are in the order of 5,000 pounds per square inch. Because of these pressures, and because of the large percentage of hydrogen sulphide which the gas contains, the gas is very corrosive.

[Mr. Nickle.]

In its natural state this gas cannot be placed in transmission lines for sale as a fuel. It must first be stripped or purified. Purification means removing all the hydrogen sulphide, almost all the carbon dioxide, and a large percentage of the liquefiable hydrocarbons. From the process of purification the following products will be obtained: sulphur, propane, butanes, natural gasoline and condensate.

The removal of these products requires the installation of a plant of considerable magnitude, and involves the installation of precision equipment. As a matter of fact, two plants must be built. One will recover the stabilized condensate and the hydrogen sulphide. When these products are removed the other plant will recover the elemental sulphur from the material taken from the hydrogen sulphide gas. At the initial stage, of course, the purified gas thus obtained will be reinjected into the formation on which the sour gas was obtained.

Construction of the Gulf plant at Pincher Creek began on April 1, 1956, according to the information I have. It is hoped that the plant will be completed by September 1 of this year.

The important purpose of establishing the plant now at Pincher Creek is to recover the elemental sulphur. A company known as Northwest Nitro Chemicals is now completing a plant at Medicine Hat, Alberta. This plant will produce a fertilizer with an ammonium base. To produce this fertilizer, sulphuric acid will be required. The acid will be manufactured from the elemental liquid sulphur supplied by Canadian Gulf Oil Company. This elemental sulphur will be shipped in a liquid state, in tank cars, from the Pincher Creek plant to Northwest Nitro Chemicals at Medicine Hat.

It is expected that the sulphur will be produced at the rate of 225 long tons per day. The stabilized condensate which will be another by-product of the purification will be produced at the rate of 76,650 imperial gallons per day. This condensate will be shipped to refineries at Calgary.

While the immediate customer for sulphur is the new fertilizer industry established at Medicine Hat by Northwest Nitro Chemicals, there will be a market for the additional sulphur produced by Gulf in the pulp and paper industry to the west and to the south of Pincher Creek. Northwest Nitro Chemicals plant will be in production, it is expected, by about September 1, 1956.

I am also informed that the only feasible and practical way to ship the volume of these by-products from the Pincher Creek gas field is by rail. The sulphur is, of course,

in molten form and must be transported in special tank cars. Furthermore, owing to the severe winter season in Alberta, highway service would be erratic because roads are frequently impassable because of heavy snow storms. Transportation otherwise than by rail would require multiple handling of the product and would be quite expensive. It would appear that transportation by rail is imperative in these circumstances.

If this bill is now given second reading, Mr. Speaker, I propose that it be referred to the standing committee on railways, canals and telegraph lines. Representatives of the Canadian Pacific Company and the Canadian Gulf Oil Company will appear as witnesses before that committee and will explain in further detail the various aspects of this proposed project.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I am very glad that this short branch line from the Canadian Pacific Railway's Crowsnest pass line, extending from 20 miles south to the area of the Pincher Creek gas field, is going to be built. As indicated by the sponsor, primarily it will make possible and assist in the development there of the sulphur and petro-chemical industry which will be of considerable value and importance in southern Alberta and, as a matter of fact, as far as Canadian industry generally is concerned.

Whilst that is the primary reason for its construction it will also provide certain services as far as the agricultural economy of that section of the country is concerned and as far as grain and cattle producers are concerned.

As the bill is going to the committee where we will get the details concerning exactly where it will run and what stations or trackage will be provided, and information concerning the purposes it is expected to serve, I think there is no need of my saying anything further about it at the moment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, when the hon. member for Vegreville (Mr. Decore) closes the debate on second reading I wonder if he could give the house the positive assurance that this 20-mile line of railway will be built wholly within Canada and that the company will not come back five years from now seeking a 90 per cent loan of a large sum of money?

Mr. McCann: That is too smart.

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I do not intend to say very much concerning this project at the present time. Undoubtedly hon. members will have more to say in the committee. I do, however, welcome this proposed extension of the Canadian Pacific Railway into the southern part of Alberta because there is an area there which needs the outlet now and will particularly need it after the chemical industries which will come about as the result of the exportation of gas are located there. This bill will certainly do a great deal to improve the financial status of that part of southern Alberta, and we certainly welcome it.

Mr. R. F. L. Hanna (Edmonton-Strathcona): Mr. Speaker, when the hon. member for Vegreville (Mr. Decore) speaks, would he tell the house whether any consideration has been given to building this branch line out of the town of Pincher Creek? I understand that the town of Pincher Creek has made some representations asking that the line be connected to that town.

Mr. John Decore (Vegreville): Mr. Speaker, answering the question asked by the hon. member for Edmonton-Strathcona, may I say that representations have been made by the chamber of commerce of the town of Pincher Creek as to whether or not it would be possible to have this line run from Pincher Creek rather than from Brocket. As a result of those representations the chief engineer of the Canadian Pacific Railway Company investigated the matter and made certain findings.

He came to the conclusion that owing to the heavy grading that would be required by this other route and the necessity of crossing highway No. 8 an additional expenditure of $170,000 would be required, and in addition there would be an extra maintenance cost per year of $20,000. Taking all things into consideration, it would appear that the best route to be followed would be the one proposed.

In reply to the hon. member for Winnipeg North Centre (Mr. Knowles), may I assure him that if he looks at the map of the province he will find Brocket and will note that a point 20 miles south is still within Canada.

Mr. Knowles: But we remember the assurance you gave five years ago.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

SMALL LOANS ACT

AMENDMENT PROVIDING THAT ADVERTISING SHALL STATE COST OF LOANS

Mr. R. R. Knight (Saskatoon) moved the second reading of Bill No. 213, to amend the Small Loans Act (advertising).

Small Loans Act

He said: Mr. Speaker, in moving the second reading of this bill I should first like to put on the record the explanatory note, which reads:

> The purpose of this act is to amend the Small Loans Act, so as to require any money-lender or small loans company, in any advertising in which the amount required by way of monthly or periodic payments in order to repay a loan is indicated, to state what the cost of such loan amounts to in terms of percentum per annum.

In my opinion the significant words in that explanatory note are "terms of percentum per annum". The matter at hand concerns advertising by small loan companies which in my opinion is sometimes deceptive. For some reason or other there has been considerable interest at this particular session in the operations of small loan companies. I think this is the fifth bill which has been listed this year. First there was a bill moved by the hon. member for Assiniboia (Mr. Argue); then there was the bill sponsored by the Minister of Finance; then there was Bill G5 of the Senate which was a private member's bill to change the name of a loan company and to increase its capitalization; then there was Bill H5 of the Senate to incorporate a new small loan company which was sponsored by an hon. member of this house; and then we have Bill No. 213 to amend the Small Loans Act with respect to advertising.

If the records of this house are any indication, small loan companies are becoming more important in the lives of individuals and families. I am not discussing today whether or not that is a good thing, but I have my own opinion about it. The discussion today concerns the advertising by these loan companies and in my opinion there should be some restrictions upon that advertising.

I think it is a rather sad commentary on our society that we have come to accept commercial advertising as certainly exaggerated. I think I can go further and say that most of it is misleading and some of it is dishonest. It is important to our economic life. We have the ridiculous type of advertising claims for cars which we see in every magazine we pick up. We have the advertisement of one cigarette company claiming that their cigarettes will cure the sore throats caused by the brand advertised on the previous page. Fortunately some of us have built up a resistance against that particular type of advertising.

The small loan companies sometimes use that type of advertising. They make statements such as those which were quoted by the hon. member for Assiniboia when he was dealing with his bill. We see references about small loans being the happy answer to your money needs, that they are our pals and such things. We see pretty pictures of children under the Christmas tree revelling in the proceeds of a 26 per cent loan obtained the week before from a small-loan company. No one of course would be naive enough to pay any attention to that type of advertising.

But there is a more dangerous type of advertising, probably because it is not so patent. For example, we have the statements by one loan company that banks are not equipped to handle this kind of business, and then there is another statement in the same brochure that credit unions are poor places to go for that particular type of loan. Statements like that are perhaps plausible to some people but they are manifestly untrue. Here is a quotation from one of these advertising pamphlets:

> Would you hazard a guess as to how much money we do make on small loans only?

They give the answer as one-fortieth of one per cent. Of course that is a plain lie, and there is no other term that could be applied to it. It is an ingenious method of advertising, a method once employed by a great packing company which had been accused in this house of falsifying its profits in that type of advertising. This is the profit on the dollar lent, which, of course, is a completely different thing from the profit on the funds invested. But the type of person borrowing this sort of money usually does not look into that.

Here is another statement under the heading of "The Rates We Charge". This, of course, is another complete falsification. My hon. friends on the other side will say that the government gets blamed for everything. They are blaming the government for this one. They say:

> The charge presently stipulated by our federal laws is 2 per cent per month on the outstanding balance of a loan to $500.

If I have any knowledge of the English language in general, and in particular of that word "stipulated", I would characterize that as not even a white lie but a deliberate one, with the deliberate intent of fooling the customers.

The third type of advertising is one which I wish to speak against this afternoon. I am not intending at the moment, as I say, to criticize the loan company. I would be out of order, possibly, if I did so. That has already been done in speeches in the previous debates. Their operators have been called harsh names in this house.

They have been defended, may I say, in all honesty by my Liberal friends, who have with one or two exceptions leaped to their defence valiantly both by voice and by vote in this

house. They must look upon these companies as being a beneficial part of our economic lives. I am sorry I cannot agree with them. They were in favour of incorporating that new company and they were in favour of granting a change in name and increased capitalization.

Of course, one might say that those things were being done completely within the law. We had, too, the fact that the national chairman of the Liberal party was mixed up with a couple of these small loan companies. We on this side of the house were frankly surprised that a man of such eminence and connected with this great party that has formed the government here for all these years should bother with such small potatoes, as somebody said, battening upon the misery of the poor. However, I see the Speaker looking me over, and I shall proceed no further in that particular direction.

Mr. Philpott: You have been out of order for five minutes.

Mr. Knowles: That rule has been thrown out the window.

Mr. Knight: The assumption is then, and I am going to accept it for today, that these are legitimate concerns doing legitimate business under the law. I am prepared to admit that for the moment, and it may be that the operators of these legitimate concerns are also honourable men. They may be all honourable men; I do not know.

Mr. Knowles: So was Brutus.

Mr. Knight: At any rate, as such they have something to sell. They are advertising their wares in the public press and they should be willing, if they are honourable men, to make clear the price of their product and the conditions under which that product is sold. If these honourable men, then, are under the shadow of the law and in fact countenanced, and indeed encouraged—it would appear from the debate that took place in this house—by this government, we would expect them to be open and honest about their operations.

I should like to talk for a while about advertising generally and about some of the ridiculous things that we do about advertising. I am thinking of liquor advertising, for example. There is a foolish idea that you must not advertise liquor on a bottle. It is all right to put it on the label but not on the bottle, because that makes a difference in law. We hear about magazines transferring from some "holier than thou" province to certain dens of iniquity in order that they might be able to carry on the business of liquor advertising in magazines and that sort of thing. We have so much of this sort of thing in Canada, and we have an historical background for it all. We have so much of that rationalization. I could use a stronger word, but I shall not.

Mr. Harris: My hon. friend is pretty rational.

Mr. Knight: Some may say that we should hesitate about telling people how to run their businesses and what they should or should not do. This has come up in regard to this bill. Some classical student may quote at me the words *"caveat emptor"*, or "Let the buyer beware". In other words, they may say it is up to the user of the product to decide whether or not this particular bill is to his advantage. But I would point out to you, sir, that there are members of the public who are in need of protection. We do not allow people to use motor cars, for example, to run roughshod over everybody; we regulate the traffic. We are not supposed to sell liquor and tobacco to minors. We have an interference there with their liberty, surely. Under the Food and Drugs Act, I take it, labels are placed on all products to make the contents clear so that there is no doubt as to what you are buying.

After all, when the customer goes into an ordinary store, there is the piece of goods in front of him, and there displayed on it is a price ticket, so that he knows what he is taking. In other words, that particular buyer does not have to beware so much, because he has a chance. He sees what he is buying, and he knows what he has to pay for it. However, in the case of small loans, what is the situation? The one big point I wish to make here is that this small loans advertising never actually shows the interest in terms of rate per annum. You may ask, "what does it show?". It shows all these nice little things that I have been reading about and which have no significance, but it usually shows a scheme for repayment. You may say, "People ought to be able to figure that out." They do not. As a matter of fact, these people who will become the victims of small loan companies are usually people who are distraught about something. They are in serious financial trouble. They are in no condition to argue, either about the amount of interest or whether or not it is beneficial for them to take a loan at all. It seems so horribly easy. You just go down and you get the money on the same day, or, if you telephone a little ahead, you can get it when you go there. It all seems so terribly easy.

Further, a great many of them are, educationally speaking, incapable of working out the cost. I do not know whether you have noticed those advertisements, but they are

very seldom in terms of round figures. There is always a balance of 73 cents or 99 cents or something awkward that is indivisible by almost anything, and it is a difficult proposition because you have 12 months and that is the thing that they do not realize.

The type of advertisement to which I particularly object and which I would like to see amended, together with this Small Loans Act, is the type of advertisement which shows the repayment month by month and does not show the rate of interest charged. By design or by mathematical accident, it may well be, these things are almost always stated in odd numbers which make the arithmetic difficult.

Lest I be misunderstood, I want to take a simple example, and I have given an example in a previous debate. I will put the matter in simple figures and I am thinking of the situation that existed some time ago before Bill 51 imposed certain restrictions on the interest. Let us say you are going to borrow $1,200. The advertisement says that you get $1,200. We will say that at the end of the first month you repay $112, at the end of the second month $112, until you get down to the twelfth month. We will assume that the loan is for a year. At the end of the 12 months you look the matter over and you discover that for the use of that money—I am saying nothing further for the moment; I am not mentioning the terms—you have paid $144. The person who is none too adroit at figures and who is perhaps not too particular because of the trouble he happens to be in will say that he has paid $144 for the use of that money and that looks like 12 per cent. He will say that is pretty high but that he needed the money and that maybe it was worth 12 per cent to get the money.

The catch is, of course, that it is not 12 per cent. It is not even double 12 per cent, or 24 per cent. It is more than double the 12 per cent that on its face it appears to be. The explanation is perfectly simple. Actually he only had the use of $1,200 for one month. At the end of the first month he repays $100 and at the end of the second month another $100, at which time he only has the use of $1,000. So it goes down the line until he gets down to the last month when he only has the use of $100 for the final month but pays exactly the same amount of interest. No, I did not say the same rate. He pays the same amount of interest each month but in each month on a different and decreasing amount of money. Therefore, it does take something of an arithmetician to sit down and calculate exactly the rate of interest he has paid.

Personally, I have had complaints about these things. People get into these jams and they come to me or to some other member of parliament and talk about their troubles. I have had these complaints and people have said to me that they never realized they were getting themselves into anything like that. You see, they had read an advertisement saying something like "just come to us and end your money troubles." A so-and-so loan "ended my worries." Look at how this man's worries were ended. He had been paying $60 or $65 a month on furniture or something else and discovered he could not do it. So he went to the loan company and he says, "You know what they did for me? Not only did they lessen the amount I had to pay back each month but they actually gave me some more money to take home with me." They lowered the amount he had to pay each month and he was a happy man. Of course, the thing that he neglected was that his troubles were not ended but were just beginning because he had contracted to double the time of his contract and repay a somewhat smaller amount per month than he had been paying.

For that reason and for the other reasons I have stated, I think that the government would be justified in passing a bill of this sort. Here is a class of people who in the first place are perhaps somewhat underprivileged. They are a class of people who need protection, and I think something should be done because there is no doubt that these people are being victimized. It is the type of people who want very small loans who are the worst victimized.

Even under the new government legislation, Bill 51, which I welcome, the interest rate on such small loans is untouched. It is still legal to charge a rate of 2 per cent per month. On loans between $300 and $500 the situation is not much better. It is true that the rate is perhaps something like 2 per cent per annum less but actually there is not much difference in the case of loans under $500. The situation is still pretty bad. These companies claim they have to have that amount of interest on account of their losses, and so on. That has been said before but I do not think they can justifiy their position on that basis because their actual losses are very small.

I ask this simple question. Why do these companies not disclose the actual interest rate in their advertisements? Is it because they fear that if the actual rate in percent per annum were disclosed the public would shy away from them and that would be detrimental to their profits? I ask a further question. Is it honest to conceal the rate? The purpose of the bill is to have the cost of the loan to the customer stated in the advertisements in terms of per cent per annum.

When a man can see that there will be some excuse then for saying *caveat emptor*, let the buyer beware, because what it is going to cost him over the period that he is using the amount he borrows will be printed plainly in front of him.

I would plead with the government to take action. I do not expect any particular action at this moment but I think this is a matter that does deserve consideration along with what has already been done by Bill 51 in making some small reduction in the interest rate.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I should like to give a certain amount of qualified moral support—

An hon. Member: Be careful now.

Mr. Philpott: —to the hon. member for Saskatoon. Let me say at the outset that I agree entirely with his main point. I definitely think that in all advertisements of small loan companies and similar institutions which are directly or indirectly in the business of lending money the effective rate of interest should be plainly stated in the advertisement. I think if we were to do the one thing with respect to our small loan legislation that would probably be of the most benefit to the public we could not do anything better than to stipulate that one simple thing and to say that everybody who lends money must state in his advertisements the actual rate of interest which he charges. When Bill 51 goes before the banking and commerce committee and we have competent witnesses before us who can give us evidence on the matter I certainly hope that we will have evidence on this particular question.

But I should like to submit in all earnestness to my hon. friend opposite that the method of getting this thing applied may not be quite so simple as he seems to think. I suggest that this whole question of small loans is tied up with a vast amount of the business life of Canada. For instance, where are you going to draw the line between small loans actually made by lending institutions and loans made indirectly by furniture companies, electrical companies, automobile companies, and all the rest?

Earlier this year we heard the hon. member for Assiniboia (Mr. Argue) give some examples of what he thought were exorbitant interest charges. In doing so he did not refer at all to the small loan companies but referred to Simpson's, Eaton's and some of the other big mail order companies in this country. I should like to submit that if we want to even bring into the discussion the charges made by these admirable institutions, who have such a wide measure of support in the house, some of the charges made by credit unions would not compare any too favourably with the charges made by some of these small loan companies.

Mr. Argue: There is none over 12 per cent.

Mr. Philpott: I can remember going to the old Toronto *Globe* as a very young working newspaperman some 30 years ago when they had a kind of benefit society which we would now call a credit union and which they probably now call a credit union. The society used to make loans against our pay on a short-term basis. Had the law been in effect which my friend the hon. member for Saskatoon (Mr. Knight) wants and which I agree with him we should have in Canada, and had we been forced to advertise the actual rate of interest charged, that would have been an exorbitant rate of interest indeed. A little earlier in my life I remember having a job for nearly two years and having some 20 salesmen under me selling electrical appliances. In the thousands of cases where we sold electrical appliances and in the years I was with that particular company, which was a very fine company, I had only one salesman ever tell me that any one of his customers ever sat down with pencil and paper and did all the intricate figuring that would be necessary to prove exactly what effective rate of interest she was paying per year. But when I listen to some of the remarks we have heard in this house this year, I wonder whether there is not another side of the story. For instance, we have been told about the poor borrower of money, about how he is getting soaked, and about how he is paying far more in the rate of interest than he deserves to pay. I do not know whether the hon. gentlemen opposite always listen to the same radio broadcasts to which I listen, but coming over the radio I hear "Something-Something Jewellers, nothing down"—

Mr. Knight: Credit Jewellers.

Mr. Philpott: —four years to pay". But when you go in to check up the price, you find that they are paying exactly the same price for the product as is the poor deluded creature who goes in and pays cash. I sometimes think that the forgotten citizen of Canada is the good old citizen, raised on the principles of Scots thrift, who believed that it was a sin to go into debt, that you must pay cash on the line for everything you bought. I sometimes think that our great merchandiser Timothy Eaton, who founded a great business on the principle of paying cash and paying less, must be turning over in his grave if he knows that people are going up and down the streets in the suburbs of

Toronto, knocking on the doors and asking people to open charge accounts and to go more into debt every month. So I say let us remember that there are two sides to this story, even on the question of these credits and on the question of debts.

I for one hope that when we get this Bill No. 51 into the banking and commerce committee we can have competent witnesses there first of all to show us how much the effective interest rate is and, second, to show us whether or not this advertising which is being used in showing the amount of repayment per month is deceptive. I submit that this is a big and complicated question, intertwined and involved with all the question of merchandising and time payments in Canada over which this federal parliament has little if any control. I submit that you might be putting our whole small debt legislation in jeopardy if you were to take an unwise step which would be held to be invalid.

Mr. Argue: Are you for or against the bill?

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I have listened with interest and pleasure to the hon. member for Saskatoon (Mr. Knight) because I observe that he discussed this problem and the men who carry on the business on the basis that they were honourable men carrying on a business which is under supervision and which honourable and decent men could carry on. It seems to me that the idea he has in this measure is sound and that no fair-minded man should object to it. I will therefore vote for the measure. I am impressed, however, by the difficulty which has been outlined by the hon. member for Vancouver South (Mr. Philpott). I think there will be difficulties. However, I shall not spend time in discussing them now because I think we can do that to much better advantage before the banking and commerce committee. But when we are considering this measure I suggest that we do not overlook the fact that the problem is perhaps not as easy to solve as it appears to be on the surface.

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

Some hon. Members: Question.

Mr. W. M. Benidickson (Parliamentary Assistant to the Minister of Finance): Mr. Speaker, as the sponsor of this bill has indicated, we have had several debates recently in the broad field related to small loans legislation. This is a fairly recent proposed amendment. It was introduced after the Easter recess. I was much interested to hear the sponsor say that, having regard to the fact that a government bill had received second reading by this house this session and was soon to receive the attention of the banking and commerce committee, he surmised it might be appropriate not to press this particular legislation at this time prior to the intensive type of review that all hon. members know is available when a bill is referred to a parliamentary committee.

As I have said before in discussing this subject in a broad way, this legislation in this small-loan field is of relatively recent origin. It had its beginning as a result of activities in parliamentary committees which examined private bills in the first instance seeking incorporation for small loan companies. From those discussions it finally appeared to be desirable to attempt to legislate in this field under the authority of the section in the British North America Act which gives the federal parliament certain rights with respect to the subject of interest. Early in these parliamentary inquiries, not only to the parliamentarians who were giving this subject attention but to the officials in the department of insurance to whom the administration of any of our legislation was likely to be referred, it became evident that very possibly there could be a legal difficulty owing to the possibility of a rather thin legal line between the rights of the provinces under section 92 of the British North America Act and any rights that were extended to the federal parliament on the subject only of interest. Very early in these discussions the superintendent of insurance was sufficiently impressed with this factor that, in his annual report, he commented upon this matter of legal jurisdiction. I refer to appendix B to his 1936 report on small loan companies, page 117. There the superintendent of insurance, who at that time was Mr. Finlayson, had this to say:

> It will be apparent from the foregoing that there may be question as to the relative jurisdictions of parliament and the provincial legislatures in regulating the total charges for loans of money to borrowers. Section 91 of the British North America Act assigns "Interest" to the exclusive legislative authority of the parliament of Canada, but there is nothing in that act to say what charges, other than interest so-called, are to be regarded as interest in disguise. Section 92 of that act assigns to the exclusive legislative authority of the legislatures of the provinces "property and civil rights in the province" and it is conceivable that the regulation of some class or classes of charges in connection with loans of money may fall within that heading.

I am referring to this matter in order to show that, even with respect to any imposition of a cost or charge to a prospective borrower, there was some considerable uncertainty as to whether or not all costs could be placed within the definition of interest. My hon. friend, in the legislation he proposes, would go further than that and, under the guise of dealing with the subject

of interest, suggests that it is appropriate for this legislature to pass a law respecting the field of advertising.

My hon. friend has referred to advertising in some other lines of business. In doing so, he was referring to the general question of *caveat emptor*. He said that laws have been passed dealing with advertising in the field of dispensing liquor. He indicated that there were certain fair trade laws under which misrepresentation or anything misleading in the field of ordinary merchandising was prohibited. He referred to certain laws with respect to the driving of cars and other things. I point out to my hon. friend that in every instance to which he referred with respect to existing laws relating to advertising, those laws were passed within the federal system, operating in this country, by provincial legislatures under the general jurisdiction of the provinces for legislating in the field of property and civil rights.

This question, as I say, has been constantly in the mind of anyone who has been giving careful consideration to the small-loan field. The superintendent of insurance, both the gentleman I quoted, Mr. Finlayson, and later the present superintendent of insurance, Mr. MacGregor, after consultation with the Department of Justice, have expressed some doubts as to whether or not it would be proper for this parliament to legislate with respect to the style of advertising permitted in the small-loan field. When they considered this problem, of course, they have always pointed out that while it is open for the Department of Justice to give an opinion and it is open for the superintendent of insurance to act upon that opinion in the advice he gives to the government with respect to the sponsorship of any government legislation, the final decision on the legality or otherwise of action of this kind would have to be made by the courts.

I have pointed out that there was some doubt in the late thirties as to how far in the legislative authority over interest it was possible to go and define interest as inclusive of all forms of charges on borrowing. The house is aware that subsequently the legislation in the small-loan field has been tested in the courts with respect to this matter of all charges. It was established that mortgage costs, legal costs and anything else associated with these loans were properly to be considered as in the federal jurisdiction as something in the nature of interest in the borrowing of money. But I would suggest to the house that we are going to have an excellent opportunity to examine something that was not examined as carefully as it might have been in the late thirties, namely, regulations respecting advertising. I am quite sure the banking and commerce committee would be able to call as witnesses officials of the Department of Justice. Of course, an essential witness in any committee meeting considering the Small Loans Act will be the superintendent of insurance. I think hon. members will have an opportunity of forming an opinion as to whether or not we are going a step farther than the courts might support if we were to accept the legislative proposal advanced by the hon. member for Saskatoon (Mr. Knight). If this parliament goes farther than the courts will uphold, then of course the danger is that the base legislation, as worth-while as the Small Loans Act has proven to be, might as a whole, be termed ultra vires and we would not have legislation at all.

My hon. friend has referred to certain types of advertising that have been made by companies operating in this field.

Mr. Knight: Might I ask my hon. friend one question. Does he remember the action that was taken here under federal jurisdiction in regard to the striped packages for bacon, and the prohibition put upon the people in the bacon trade?

Mr. Benidickson: But that was with respect to a special statute on the marking of goods under the jurisdiction of the Department of Agriculture. That is something my hon. friend will have every opportunity of examining the deputy minister of justice upon.

Now, falling short of placing on the statute something that might weaken the act itself and the whole basis of our legislative action, the superintendent of insurance has from the very beginning of the administration of this act gone as far as he thought he could go in the matter of advertising. I see I have not the time to give the full details of his memorandum to small loan companies to the house, but I could quickly give the reference to it and the hon. members will be able to look it up for themselves. I refer to the introduction to the 1940 report on small loan companies at page 11. There is a memorandum there indicating the direction, which is of long standing, from the superintendent of insurance to the people in this field and it says what would be and what would not be regarded by him as offensive in this field.

On motion of Mr. Benidickson the debate was adjourned.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed consideration in committee of the following resolution—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair:

That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as Northern Ontario Pipe Line Crown Corporation for the purposes, amongst others, of constructing, maintaining and operating a natural gas pipe line between the Ontario-Manitoba border and Kapuskasing, Ontario, and of leasing with an option to purchase such natural gas pipe line to Trans-Canada Pipe Lines Limited and carrying out such leases, including the disposal by the corporation of such pipe line in connection with such purchase option, and to provide that the Minister of Finance may lend money to the corporation for such purposes.

To provide also that the corporation may, on behalf of Her Majesty, out of moneys advanced by the Minister of Finance, make short term loans to Trans-Canada Pipe Lines Limited for the construction of a natural gas pipe line from a point on the Alberta-Saskatchewan border to the vicinity of Winnipeg, such loans not to exceed in the aggregate eighty million dollars or ninety per cent of the cost of construction of the said pipe line, whichever is the lesser, and to be made upon such terms, conditions and security as approved by the governor in council.

To provide also that the corporation may do such things as are conducive to the attainment of the foregoing purposes, and that in the event of default of Trans-Canada Pipe Lines Limited in carrying out any agreement for the foregoing purposes the corporation may take possession and control of any or all assets, rights and undertakings of Trans-Canada Pipe Lines Limited and conduct the business and operations of Trans-Canada Pipe Lines Limited with respect to such assets, rights and undertakings, and that if such default should occur prior to completion of the pipe line mentioned in the last preceding paragraph hereof the corporation may complete its construction and manage and operate it and that it may, out of moneys advanced by the Minister of Finance acquire shares of the capital stock of Trans-Canada Pipe Lines Limited.

To provide that the aggregate outstanding at any time of the amounts authorized by the measure to be advanced for the foregoing purposes by the Minister of Finance to the corporation together with the loans authorized to be made by the Minister of Finance to the corporation shall not exceed one hundred and thirty million dollars.

And to provide further for the appointment and remuneration of directors, officers and employees necessary for the administration of the act.

The Chairman: It being six o'clock, I do leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Miss Aitken: Mr. Chairman, the first few words of the resolution before us read, "Resolved, that it is expedient to introduce a measure;" —resolved that it is expedient to introduce a measure that will enable the government to use the taxpayers' money to build parts of a trans-Canada pipe line 83·4 per cent of the control of which will be in the hands of United States interests.

To be expedient, according to the dictionary, is to be suitable, fitting or convenient. We in this party do not consider it suitable, fitting or convenient to surrender our economic independence to a foreign country no matter how friendly that country may be. We do not consider it suitable, fitting or convenient that our business or the future of our national resources should be dependent on such foreign bodies as the federal power commission. We do not believe there is anything expedient in this resolution. I think the best description has been given by the Toronto *Star* which referred to it as a Canadian tragedy.

I wish to read the last paragraph from an article which appeared in the Toronto *Star* on March 17:

The Trans-Canada deal is so bad that it deserves to be laughed out of parliament. But with the government standing pat, and the Liberal majority evidently ready to fall into line, it is no laughing matter. The stage is being set for a Canadian tragedy.

This is what might be called the third plan for an all-Canadian pipe line. I call it a plan rather than a policy because the government does not appear to have any policy, even today, five years after the first plan emerged.

What is the government's policy in building an all-Canadian pipe line? First, the Minister of Trade and Commerce selected Trans-Canada as the chosen one, the white-haired boy. Trans-Canada sold itself on the basis of its ability not only to finance and build the pipe line but to operate it without financial assistance from the government. Then it became obvious that Trans-Canada could not finance and build the line without financial assistance. Not only does this company need help to build the uneconomical part of the line, but Trans-Canada cannot even build the easiest part of the line from Alberta to Manitoba without help.

During the five years we have waited for the Minister of Trade and Commerce to get going on the pipe line, several suggestions have been bandied around in parliament and in the press. The first of these is that the government might guarantee Trans-Canada bonds. There were hints that the minister liked that idea but that some of his colleagues did not like it. Then another idea emerged, that Trans-Canada should borrow from the international development bank. Nothing came of that idea. Now, finally, there is

this resolution, that the government will build parts of the pipe line, the most difficult part and the easiest part, and Trans-Canada will lease-purchase the government-owned parts and eventually own them.

Where does that leave us? According to a well-known Canadian oil expert whose name has been mentioned several times today in this house, Frank McMahon, it leaves us with a pipe line subsidized by Canadian public funds and controlled by United States financial interests. The chief concern of those interests will be to sell gas as cheaply as possible in the United States. It is a government sell-out of Canadian resources to powerful United States interests.

Yesterday the minister accused the opposition of scaring the goose that lays the golden eggs. Well, Mr. Chairman, we in this party are only too happy to sell the golden eggs. But I believe the government is not killing the goose that lays the golden eggs; instead it is putting it on a silver platter and handing it to the United States.

Mr. Rowe: And they are not even getting the platter back.

Miss Aitken: Let us look at the bewildering facts. Five years ago this house was asked to grant a charter to Trans-Canada to build an all-Canadian pipe line. Parliament was given assurance by the officials of the company that the undertaking could be achieved without government assistance. A representative of Trans-Canada appeared before the committee on railways, canals and telegraph lines to say that this project, and I quote, "would be entirely economic and go along by itself". And so, in 1951, the parliament of Canada gave Trans-Canada the franchise to build an all-Canadian pipe line on the company's own assurance that it would be entirely economic and would go along by itself.

A moment ago I suggested that we look at the bewildering facts; today we must look upon them not as facts but as fiction. Today, without any detailed facts, with no clear explanations, we can only assume that this project, so economically sound in 1951, is no longer entirely economic, nor can it go along by itself.

If Trans-Canada cannot fulfil its undertaking, why does it still have the exclusive franchise to build the pipe line? Why were Canadian companies not encouraged to finance it? The government has given us no evidence that this project cannot be financed in Canada and nothing will convince me there are not a good many Canadians who would be only too happy to take on such an attractive project, one part entirely financed by the government and the other part 90 per cent financed by the government.

One has only to look at the entire pipe line business during the past eight years to feel confident a trans-Canada pipe line could be financed by Canadian enterprise. Millions of dollars have been spent in building pipe lines in Canada and handsome profits have been made by all concerned—builders, investors and operators. The government ignores these basic facts which are not fiction.

I believe there is an overwhelming national opposition to this plan whereby foreign industry grows fat at our expense. The Minister of Trade and Commerce is showing complete contempt for that national opposition just as he is showing contempt for parliament in introducing closure. But I believe that better men than he have seen the wisdom of changing their minds. Indeed, one of the most interesting examples of this sort of thing—not a man but a newspaper in this case—occurred recently when a newspaper changed its mind, therefore showing bigness. The newspaper in question was the Calgary *Herald,* which was mentioned earlier today.

Last month the *Herald* reversed its previous editorial stand declaring that this may yet be one of the most important issues of our generation. In explaining its reversal, the *Herald* admitted that nationalist sentiment is more important than pure economics. The Minister of Trade and Commerce obviously has no intention of changing his mind nor has he any intention of listening to the voice of parliament.

An hon. Member: He changed it last year.

Miss Aitken: The guillotine has been introduced. Earlier today I detected something of a sensitivity in the back benches of the Liberal party when they were being called trained seals. I am not going to call them trained seals because I think it is an extremely sad state of affairs that there is no opposition in the government ranks.

Some hon. Members: Oh, oh.

An hon. Member: The only divided party is the Tory party.

Miss Aitken: There are no trained seals over here. What has happened to the great Liberal party of yesterday?

An hon. Member: It is united.

Miss Aitken: Surely there must be at least a baker's dozen in that vast Liberal majority who have the courage to speak up for the future of Canada.

Mr. Hees: No, not one. They are all dead; all gone. Pouliot has gone.

Miss Aitken: Surely there must be ten men, five men, or even one man with the intestinal fortitude to say, "No, C. D. Howe".

Mr. Harkness: You would think so but it just is not so.

Miss Aitken: I find it sad that today this great Liberal party of yesterday is nothing more than a caricature of Hollywood yes men. What has happened to the Liberal breed that it has degenerated into rubber stamps?

Mrs. Shipley: Mr. Chairman, on a point of order. This afternoon I was refused the privilege of commenting on similar remarks which had been made by members of the opposition. I submit that hon. members of the opposition should not be permitted to continue in that same vein if we are not to be permitted to refute such comments.

Miss Aitken: Mr. Chairman, I can say in all truth, in sorrow more than in anger, that it is a sad thing for Canada that no man in this Liberal government today will show the vision and courage and faith of his forefathers. With this resolution before us today we have indeed come a far way from the vision and courage of our forefathers. In his history of Canada Stephen Leacock called the building of the C.P.R. one of the greatest triumphs of our history. Today the right hon. Minister of Trade and Commerce is telling us that it is expedient to bring about one of the greatest disasters of our history.

Our leaders of the 19th century had the courage of their vision. They began building a trans-Canada railway when there were only 24,000 people in British Columbia. Winnipeg was a town of less than 8,000 inhabitants. Regina was what the Indians called a pile of bones. Calgary was not even on the map. Despite those handicaps of geography and population we built that trans-Canada railway. We invited foreign investors to help us. We welcomed their help and we gave them profits. But we made sure that control of the railway stayed in Canada. We invite foreign investors to help us build a pipe line. We will welcome their money and we will make profits for them, but let us make sure that control of that pipe line stays in Canada.

If this resolution goes through, I should change that and say when this resolution goes through, or when this resolution is forced through, we will have a pipe line it is true, or at least we will have part of a pipe line. The only thing Canadian about this pipe line will be its geographical location. Public funds are to be used to ensure private profits for foreign investors. Public funds are to be used to ensure that United States consumers get Canadian gas through an all-Canadian pipe line cheaper than Canadians can get it.

I do not believe that any other country in the world would put itself in such a position, not even a country less richly endowed than Canada. For instance, in India back in 1948 Mr. Nehru saw the danger of economic domination from outside and he issued this warning:

> We would rather delay our development, industrial or otherwise, than submit to any kind of economic domination of any country. This is an axiom which is accepted by everyone in India.

We believe that the time has come for Canadians to assert authority over their own resources. No longer should we stand by and watch foreign industry control our resources. Presumably the right hon. Minister of Trade and Commerce, and indeed I imagine the entire government, must be aware of the widespread resentment against United States capital dominating our pipe line while public capital takes all the risk. I do not believe that any Canadian government, or perhaps any government, has ever subsidized private enterprise in this way. No Canadian government, in fact no government anywhere has subsidized private foreign enterprise in this way. Whoever described this plan as one of the most bungled government transactions in Canadian history spoke truly.

The minister has said more than once that he is assured by Trans-Canada that more than half the common stock of the company will be made available to Canadian investors if they care to subscribe to it. That brings us to the question which has been brought up here more than once. Is the right hon. minister talking about a Pickersgill Canadian, someone born in Canada, or is he talking about someone who has a postal address in Canada? Is that a Canadian? If so, then the wholly-owned United States subsidiaries in the pipe line scheme are Canadians.

What we are facing today is not merely the building of a pipe line; we are at the crossroads in Canada's future. We are being faced with a basic policy which the Liberal party is trying to ram down Canadian throats. That policy can be summed up in five words: United States first, Canada second.

Mr. Pickersgill: I wonder if I could ask the hon. lady a question.

The Chairman: May I point out that the termination of this debate is fixed and I think it might be preferable to refrain from interrupting.

Mr. MacDougall: Mr. Chairman, I rise in this debate to speak as a Canadian who comes from a province which will be neither a buyer nor a seller of any of the gas that will go

through Trans-Canada's pipe line. I believe it is my duty as a Canadian to rise on this occasion because I have no axe to grind in any way whatsoever.

An hon. Member: You made a good messenger boy for the last day or two.

An hon. Member: What about that political axe?

Mr. MacDougall: I think I have been quiet when some of the opposition members have spoken but, as far as I personally am concerned, I do not care if they howl their heads off. They can call me all the trained seals they like, stool pigeons, and what have you, and it makes no difference whatsoever to me. I have listened for a long time to certain members of the opposition party—not all—crying blue ruin and damning the government because of the fact that the government attempts to run parliament. I am welcoming this action by the government in finally taking the bit in its teeth and determining to run parliament.

Mr. Harkness: You mean "run over parliament."

Mr. Garson: There is a witticism for you.

Mr. MacDougall: I have heard some good speeches from some members in the opposition, but I listened to a magnificent speech from the gas expert for the Tory party. I never thought I would see the day however when my learned friend from Vancouver-Quadra woud get up and attempt to prevent free speech in the House of Commons.

Some hon. Members: Oh!

The Chairman: Perhaps I may be allowed to say a word. The hon. member will realize that again this evening we shall see opportunities to interfere with an hon. member's speech if the debate should get out of hand, and I feel I should rise immediately to ask him to co-operate with me by revising those words he has just uttered with regard to the hon. member for Vancouver-Quadra, who is not in the house tonight.

An hon. Member: Yes, he is.

Mr. Green: Mr. Chairman, you were not in the chair this afternoon when this incident arose. I pointed out to the chairman at that time that he had the name of the hon. member for York-Humber as our next speaker on the list, and he finally admitted that the hon. member for Calgary South was being put on in place of a Liberal member.

The Chairman: I do not think I should allow a repetition of an occurrence which took place this afternoon. As soon as the hon. member for Vancouver-Burrard uttered words which I thought would be objectionable under our rules, and not seeing the hon. member for Vancouver-Quadra in the house, I immediately rose to my feet with the intention of asking the hon. member for Vancouver-Burrard to withdraw those words. I am sure he will be happy to do so.

Mr. MacDougall: Mr. Chairman, what words do you wish me to withdraw?

The Chairman: I must ask the hon. member for Vancouver-Burrard to withdraw the words that another member attempted to prevent free speech in this house.

Mr. MacDougall: I am very glad to comply, because the hon. member for Vancouver-Quadra and I have been friends for a long time. I do not think that there is any invidious meaning. I said that I never thought that a Tory member would do anything like that.

An hon. Member: Withdraw.

Mr. MacDougall: I withdraw.

The Chairman: I do not think any member could ever have received a more spontaneous withdrawal.

Mr. MacDougall: The hon. gentlemen on my left would prefer that I crawl back into my hole, but I am not prepared at this time to do that.

Mr. Harkness: Your party has just withdrawn free speech from the whole parliament.

Mr. MacDougall: May I be allowed to go on?

An hon. Member: Go on.

An hon. Member: Have you anything to say?

Mr. MacDougall: More than my hon. friends to the rear. Prior to the introduction of this resolution that is now before the house, I have witnessed possibly some of the most absurd attacks upon our Prime Minister and two or three of our ministers that I have ever heard in the years I have been here.

Mr. Ellis: Why does he not answer for himself?

Mr. MacDougall: As far as I am concerned, I am 100 per cent in favour of the closure that was invoked by the administration. Now, if I am not completely drowned out by the magpies around me, I would like—

An hon. Member: Withdraw.

Mr. MacDougall: —to point out a few salient facts with respect to the addresses that have been delivered by my good friends, the Leader of the Opposition and the leader of the C.C.F. group, the hon. member for Rosetown-Biggar.

I was stumped, and I am sure all members of the house were stumped, in trying to find exactly what policy, if any, the Leader of the Opposition had in mind on the various occasions when he addressed this house.

An hon. Member: He never had any.

Mr. MacDougall: It is quite evident, according to their tenets of faith, that the socialist party stands for public ownership. I can quite understand their attitude and the attitude of their leader on that occasion. But if the day ever comes—and I hope it will not—when the people of Canada and the government of Canada will of necessity have to take over the Trans-Canada Pipe Lines, I can assure this house that they will do a much better job than has been done by so-called crown companies in the province of Saskatchewan. I should like to point out that there have been five crown companies in Saskatchewan that have gone down the drain. There have been more than that, but I am only including five in my remarks tonight. They are the leather products factory, the box factory, the woollen mills, the fish board, and the tannery.

Mr. Ellis: Tell us about the insurance company.

Mr. MacDougall: I have pointed those out, and I also want to say that it is a most intriguing thing for me that, when the socialist government of Saskatchewan has been asking and receiving foreign aid to come and develop the resources of that province for the past two and a half years to the extent of approximately $50 million a week, some of my socialist friends here from Saskatchewan get up and condemn it. Now that we all recognize, Mr. Chairman, that that great race horse, Citation, is dead, now that we have invoked closure, I am very happy to see that for the duration of this debate citations are also largely dead.

With that idea in mind I should like in the few minutes at my disposal to satirize the situation as far as my good friends of the Tory and C.C.F. parties are concerned. About the most concrete suggestion we have had from the Leader of the Opposition has been that we might consider running the trans-Canada gas line on railway property from Alberta to Quebec. I wonder whether the Leader of the Opposition has ever considered for a moment how volatile gas is, and how much additional insurance the railroad companies would have to bear if by any chance this suggestion as to the route of the trans-Canada line were ever carried out? So to me it has been most difficult to plot what might be considered a statement of policy on the basis of any of the utterances of the Leader of the Opposition.

Mr. Harkness: You are always a little dull, Jack.

Mr. MacDougall: I admit it. The only unfortunate part about that interjection on the part of my hon. friend is that he is a great deal duller than I am.

Mr. Hees: Grade 5 humour.

Mr. Ellis: Another Bob Hope.

Mr. MacDougall: It has been stated that the rules have largely gone by the board.

Some hon. Members: Hear, hear.

Mr. MacDougall: That condition now being a matter of history, I wonder whether I might be permitted to summarize and satirize the positions of the government and the Tory and C.C.F. parties by naming batteries for these opposing teams in the House of Commons. If that is permissible, Mr. Chairman, for the government side I would announce as pitcher that veteran speedball artist, C. D. Howe, and as catcher—

Mr. Fleming: He is throwing curves.

Mr. MacDougall: —that pipe line specialist, the Conservative gentleman who sits behind me—Carl Nickle. For the opposition it is a little more difficult to select the battery mates but I cannot help remembering that the other night the hon. member for Rosetown-Biggar nearly burst a button—

An hon. Member: Is that all?

Mr. MacDougall: —when he rose to speak on the resolution after the Leader of the Opposition. I think his closing word was "buccaneer". Therefore, for the opposition I am naming as pitcher "buccaneer Coldwell" and as catcher "I am working on the railroad Drew". There is a gentleman behind me, Mr. Chairman, who said he would like to play outfield. I should like to play shortstop or second base on the government team because I am quite sure I would be able to put across many double plays.

An hon. Member: This is a real double cross.

Mr. Harkness: This government is expert in double plays already.

An hon. Member: Double shuffles.

Mr. MacDougall: Mr. Chairman, as I said when I rose, I am not going to go into the intricacies of gas distribution in Canada.

An hon. Member: You have not.

Mr. MacDougall: I profess to know very little about it.

Some hon. Members: Hear, hear.

Mr. MacDougall: I wish that some of the gentlemen to my left were as honest as I in that admission.

Mr. Dickey: They prefer to prove it to everybody else.

Mr. MacDougall: You know, it is a very nice thing to have friends in all parties, and when one does not indulge in smears I do not think it is a very difficult thing to do. I speak as a Liberal who has no axe to grind, political or otherwise, with respect to the pipe line. The Leader of the Opposition suggested yesterday that he would like to hear a Canadian speak on this matter. I think that without exception we are all Canadians but I happen to fall into a different category. I am what might be termed a neutral Canadian as far as the trans-Canada gas line is concerned.

Some hon. Members: Oh, oh.

Mr. MacDougall: I am neutral in this respect, that as far as my own province and city are concerned if and when we get natural gas in Vancouver and the province we will get it through the medium of the Westcoast Transmission line. Further than that, I believe it is well that a so-called neutral viewpoint on this question should be expressed. Originally I was raised on the prairies in the province of Saskatchewan, and I want to tell you without fear or favour that the provinces of Saskatchewan and Manitoba are crying today for the admission of natural gas from the province of Alberta. There used to be an old saying in our schoolboy days—

An hon. Member: Time.

Mr. MacDougall: —that trade follows the flag. I did not call time on you, Doug.

Mr. Harkness: I did not say a word, not a word.

The Chairman: It is my duty to call time and advise the hon. member that his time has expired.

Mr. Knowles: Mr. Chairman, there comes from our province of Manitoba a Liberal who is in the cabinet. He is a gentleman who sometimes, whether he likes or not, blurts out the truth. He did that yesterday noon, according to this evening's edition of the Ottawa *Citizen*—

Mr. McIvor: He always tells the truth.

Mr. Knowles: —when he was speaking to 180 high school students taking part in an adventure in citizenship. The press report tells us that he told them that democratic government is still on thin ice.

Some hon. Members: Hear, hear.

Mr. Knowles: That same minister came back to the house yesterday afternoon and saw his colleague, the Minister of Trade and Commerce, endeavour to push democracy through that thin ice. The Minister of Justice also stated at that meeting yesterday:

> One of the possibilities which make our times so interesting and fateful is whether this great innovation will survive and expand or fall back into thousands of years of bondage.

Some hon. Members: Boo, boo!

Mr. Knowles: Mr. Chairman, the use by the Minister of Justice of that word "bondage" made me wonder whether he is aware of the famous words attributed to John Pym who said this centuries ago:

> Parliaments without parliamentary liberty are but a fair and plausible way into bondage. Freedom of debate being once foreclosed, the essence of the liberty of parliament is withal dissolved.

That is what this government is seeking to do, Mr. Chairman, under the alleged excuse of necessity. What is that necessity? That necessity arises from the fact, so far as the government is concerned, that it has already signed a contract with a private company. The make-up of that private company has already been described in full. In that agreement this government has virtually pledged that parliament will get this measure through in time for the required amount of money to be turned over to this private company by June 7. In other words, Mr. Chairman, this free and independent parliament of a sovereign nation is bound by a commitment that the government of this country has made to a private company.

Some hon. Members: Shame.

Mr. Knowles: It is because of that commitment that the government has made that we are now under not the threat but the fact of closure. I remind hon. members of what my leader drew to their attention last night when he indicated that Mr. King in 1932 had certain fairly strong words to say about closure when it was put in effect after a debate had been going on for a month. In this instance closure is announced the very first day on which the debate is in progress. As recorded at page 1626 of *Hansard* of 1932 Mr. King said this:

> They have used the weapon of closure twice in the course of a short debate—

I do not know how many times we shall get it in this still shorter debate.

> —in order to end all discussion and debate on the most important question which has engaged the attention of parliament since this ministry was formed.

Northern Ontario Pipe Line Corporation

I should like hon. members to note the next sentence Mr. King used on that occasion:

If ever in this world there was evidence of an autocratic power used to the 'nth degree, we have it in what we are witnessing at the present time.

If there is anything in spirits and ghosts walking this earth after a man like Mr. Mackenzie King has passed on, I am sure his ghost must be haunting every cabinet minister every night during the course of this debate.

Necessity they say; necessity arising from the commitment that this government has made to a private company. May I remind them of another famous quotation by William Pitt in the debate on the India bill in 1783 when he said this:

Necessity is the argument of tyrants; it is the creed of slaves.

Mr. Chairman, in the few minutes that are at my disposal may I come to the issue that is before us at this present time, namely the issue of the across-Canada gas pipe line. As a Canadian, Mr. Chairman, I am intensely interested in this great national project of an across-Canada natural gas pipe line so as to make available to other areas in Canada this economic fuel of which there is such a tremendous abundance in the province of Alberta. Further, Mr. Chairman, as a Canadian from the city of Winnipeg I am particularly interested in the immediate building of a pipe line across the prairies so that, without further delay, this economic fuel might be available at cost of production and distribution to the people of that city as well as the people of other cities and towns in Saskatchewan and Manitoba.

We in the city of Winnipeg have learned that there are times when you must look at certain propositions a second time. We recall to our sorrow what our city fathers, the city council of Winnipeg, did in the year 1881. It is familiar to all of us in Winnipeg but I happen to know something about it because, when I was on the city council myself in the early part of the 1940's, we took the first steps to try to do something about the mistake the city council had made in 1881. What was that mistake? In order to get the Canadian Pacific Railway to build its main yards, so far as Manitoba was concerned, in the city of Winnipeg it passed a by-law in 1881 and made an agreement with the Canadian Pacific Railway—

Some hon. Members: This is the pipe line.

The Deputy Chairman: Order.

Mr. Knowles: —which made that railway free and exempt from all municipal taxes, rates, levies and assessments of every nature and kind. For how long? For ever. Mr. Chairman, the city of Winnipeg has since tried to find whether there was not some way to change that arrangement, which has cost us many millions of dollars. The matter went through all the courts of this country, to the Supreme Court of Canada and to the privy council but it has been ruled that that bad deal which the city council of Winnipeg made in 1881 binds us in Winnipeg in perpetuity, for all time, for ever—and then some.

Mr. Chairman, it is because of our experience with bad deals like that, that we in Winnipeg—much as we want gas from Alberta in our city as soon as possible—realize that we must take a second look at any proposition that is presented to us, particularly when it is presented to us by the present Liberal government. When we look at this present proposition, what do we find? Do we find that it is in the main a way of getting gas to the cities and towns of Saskatchewan and Manitoba and eventually into Ontario and Quebec as well? No; we do not. We find that this is a proposition to aid Tennessee Gas and its associates in its gamble, its effort to try to break into a lucrative, profitable American market. That company knows that if it could get cheap gas from the inexhaustible supplies in Alberta and get that gas into the central and mid-western American market, it could compete with the other companies that are distributing gas in that area and make huge profits. That company has found that it cannot get a permit from the federal power commission to import gas into the United States. That company has the notion that, if it had the line built from Alberta down to Emerson, its case for getting a permit to import gas into the United States might be that much better. But despite the fact that the company believes that its case might be that much better, it has not been able to persuade private investors that it is a gamble worth putting private money into. People with private money are afraid that the federal power commission's permission will not be given and so it would be money put into a white elephant. So this same Tennessee Gas company comes along and asks the people of Canada not only to let it have Alberta gas as a pawn in its competitive game but asks the taxpayers of Canada to put up $72 million or $80 million—actually up to $200 million—to enable them to get into a position to strengthen their case in applying for a permit from the federal power commission.

Mr. Chairman, this parliament of Canada is being asked by this bill to put Canadian gas and Canadian taxpayers' money on the

chess board as a pawn in the game of a group of private financiers who are not interested in getting gas into the towns of Saskatchewan or Manitoba and who are not interested in getting gas into Ontario or Quebec. They are interested only in the profit they might make out of our gas and our taxpayers' money. That is the reason that we in Winnipeg, with the experiences we have had in the past, anxious as we are to have a pipe line built—and perhaps we are more anxious than anybody else because of where we are situated with respect to the line that is supposed to be built this summer; indeed it was promised for last summer —despite our anxiety we realize that this is a bad deal and that we should demand something better.

But, Mr. Chairman, we do not believe that it is necessary to wait for something better. We believe that a better way can be entered upon this summer just as readily as can this plan which is proposed by the Minister of Trade and Commerce. We say that this plan which the Minister of Trade and Commerce is trying to bulldoze through this parliament is one that is almost sure to fail. He practically admitted that himself in his speech yesterday. He referred time and time again to what would happen if the company were to fail, and talked in terms of the government taking over as if it were almost a certainty that was what would happen. If the plan succeeds we will be at the mercy, in Canada, of a private monopoly controlled by financiers mainly foreign, and a monopoly that will not be interested in getting gas to the consumers of this country at a reasonable price. They will be interested only in the profit they can make out of the project and our consumers will be charged the limit. If they fail, the project will end up under public ownership. Someone says, is that not what you want? Why do you not go along with this plan and get public ownership that way? We want public ownership, but we want to come at it directly and honestly, not indirectly and dishonestly.

Furthermore, we know from our history and experience in this country that when the government takes over an outfit that has defaulted and become bankrupt, far too often there are financial arrangements made that set up a capitalization that provides a false picture for years to come and the people really do not get the value out of public ownership which they get when we go in for it first, directly and honestly as we propose. So, Mr. Chairman, we say that the time for action on this question is now, this year, 1956. We are not fooled and the people of Canada are not fooled by the assertion made by the Minister of Trade and Commerce that if he does not let this private company do it he cannot get it done until 1958. The minister does not know his own strength, his own power, his own capabilities for organization. This minister organized Trans-Canada Air Lines and the Polymer Corporation at Sarnia.

Some hon. Members: Hear, hear.

Mr. Knowles: This minister, whom the Liberals are so happy to applaud, knows very well that if he would shake off these shackles that are blinding him to the possibilities of public ownership he could do something for Canada with respect to this great national project that would be a star in his crown far brighter than any of the others that his Liberal colleagues like to boast about when they are singing his praises.

Yesterday the Minister of Trade and Commerce said that we could not get going with this proposition unless we put it in the hands of this favoured company, Trans-Canada Pipe Lines Limited. I am not sure that it will be done even if we put it in their hands. We still have not got a clear statement from the minister as to what are the terms of the option this company has on the pipe that is still in the United States. I asked him as recently as 2.30 this afternoon whether he had yet obtained a copy of the option, and the answer was no. Yesterday he told us the option was being altered. Here we are within four hours of a vote forced upon parliament by this dictatorial government and we still do not know who has this pipe or whether the option is any good at all. So, Mr. Chairman, I ask you to note the attempt that the government is making not only to bulldoze us but to force this thing through without our having all the facts that are involved.

I say to the minister that if this company is in the position that he says it is to proceed with this project this summer it is only because of the favours the company has received from this government and the constant extensions it has received from the government and the board of transport commissioners; it is only in that position because of the loan that is involved in this proposition now before us and of the proposal by the government to build the line through northern Ontario for this private company.

If this company, as I say, is in this favoured position because of what the government has done for it then the government owes it to the people of Canada to take over that company now and start building this project for the people of Canada, a trans-Canada pipe line across western Canada and completed to Winnipeg before this year is out. The Minister of Trade and Commerce

made a great many references in his speech yesterday to the question of public ownership. He kept insisting it had been looked at, but so far as he was concerned he could not recommend it to parliament. I noticed, Mr. Chairman, that the minister made it very clear to this house that he knows, he, the right hon. Minister of Trade and Commerce knows, and said so yesterday afternoon, that public ownership is a better way. Dealing with this proposition yesterday at page 3864 of *Hansard* for May 14, 1956, the minister said:

> I repeat that, short of public ownership, it—

Referring to the plan he is trying to push through parliament.

> —goes as far as could reasonably be asked to protect the Canadian interest.

What is that, Mr. Chairman, but an admission by the minister that public ownership goes farther than this present plan in protecting the public interest. The Minister of Trade and Commerce says he knows of many instances of public ownership. Yes, he is responsible for some of them. He is the proud father of some of them. In so far as gas is concerned, he does not know of any. Is the Minister of Trade and Commerce so old that he has lost his pioneering spirit? Is he so lacking in vision in so far as this Canada of ours is concerned that he is not prepared to make the venture into a gas pipe line under public ownership? Knowing some of the things he has done I call him, Mr. Chairman, the Minister of Trade and Commerce, as the best witness in this house to the assertion that public ownership is a better way rather than bulldozing this parliament into voting for a proposition that is little more than placing Canadian gas and Canadian money as pawns in the hands of United States financiers.

I call upon him instead to withdraw this proposition. It is not too late yet to withdraw the order that is on the order paper today, No. 17, and to withdraw No. 12 as well. We will do our part in giving unanimous consent to do it. He could then bring in a new proposition to provide for public ownership of this tremendously important national project so the Canadian people may get real value from the gas we have and the labour power we could put into it, so our economy could reap full benefit from such a project. This is an extremely important issue. We are being led down the garden path by a minister who has it in his power to lead us to tremendous advances in our economy. I call upon him tonight to withdraw this motion and bring in one he himself knows would be infinitely better, a motion putting this whole project under public ownership for the people of Canada.

Mr. Low: Mr. Chairman, I hesitate to take too much time of the house tonight on this subject because I feel it would be advisable to allow as much time and latitude as possible to the perpetrators of the filibuster to have their say, because if we should take a few minutes then they are going to go out in the country and say they were denied any right to speak on this.

Mr. Ellis: What filibuster?

Mr. Low: Of course, hon. members who are shouting "What filibuster" have just given us an example of the histrionics of which they are capable on such occasions as these.

To begin with, Mr. Chairman, may I say that I congratulate the Minister of Trade and Commerce on the statement he made yesterday. I thought it was straightforward and it was factual. I congratulate the government on bringing in this measure. I want to say right off that we in this corner support it. We will go along with it and we do not intend to contribute in any way to a filibuster on the matter at any stage.

Some hon. Members: Hear, hear.

Mr. Low: I would like to examine for just a few minutes the validity of the position that has been taken by the dog that attempts to wag its Conservative tail, and the tail as well, because I think it is important for us to see what is going on. It must be remembered that both the Conservatives and the C.C.F. served warning before this measure ever came on the floor of the house that they were going to filibuster and completely destroy it if they possibly could. Now, under those circumstances and in the light of the demonstrations which we have had in this house over the past three or four days, let nobody say the Conservatives and the C.C.F. did not bring what has happened upon themselves.

I think, Mr. Chairman, the Conservatives should know better because the Conservatives have not very much of a case. In tribute to the C.C.F. I will have to concede that I think they are quite honest in their proposal concerning nationalization of the pipe line, but the Conservatives are doing nothing but scraping the bottom of the barrel. They are like a cat on a tin roof trying to find some dirt and manufacture for themselves an election issue. They have been so utterly bankrupt of ideas and propositions that they have to grasp at straws. They are trying their level best to make an issue out of this. I am going to tell them this and I am saying it particularly for the benefit of my friend the hon. member for Calgary North who

spoke in this house this afternoon. He will find out what it means to kill or be killed. He killed himself in Alberta and when the next election rolls around he will find out exactly what I mean. The people of Alberta are going to question the position he has taken.

Mr. Bell: What about you in Quebec?

An hon. Member: Leave Quebec alone.

Mr. Low: Let me say that as I listened to the Leader of the Opposition last evening I could not help feeling that the hon. gentleman, much as I respect and admire him personally, was proceeding in his address on the assumption that if he made exaggerated and unfounded statements often enough and loud enough they would eventually become true. I should like it to be known that I like the hon. gentleman and I want him to know that. All throughout his speech he continued repeating time after time statements he could not back up, statements that are completely unfounded and which I think he should be called upon to prove or to keep quiet about.

Now, as far as the C.C.F. is concerned, let me say this. As I said, I think they have honestly put forward their view with respect to nationalization of the pipe line but let me hasten to add I do not think they have a moral right to base a filibuster upon the principle of nationalization and I will tell you why. The C.C.F. have been putting forward this argument and this principle for the last 20-odd years in Canada and in every election campaign nationalization has been one of their major platforms. Election after election the people of Canada have turned down the principle and the proposition overwhelmingly. Under the circumstances I do not attempt to deny them the right to put forward the principle of nationalization of the pipe line here but I do say that morally they do not have the right to base a filibuster on it in an attempt to kill this bill.

One thing which interests me about the C.C.F. argument is the fact that they have closed their eyes to a lot of realities. The hon. member for Winnipeg North Centre who just finished speaking closed his eyes to realities when he said the government could go ahead this year and build a pipe line under government ownership. He knows better than that. The government could not possibly start a pipe line this year and I will tell you why. If the government of Canada were to enter into a nationalization program for the building of a pipe line today it would be up against the problem of getting a supply of gas and I am telling you they would have a very difficult time getting a supply of gas.

Mr. Ellis: So that's it.

Mr. Knowles: Aren't you a Canadian?

Mr. Low: I am a Canadian. I will tell you why the government would have a difficult time obtaining a supply of gas.

An hon. Member: Talk to the Alberta government.

Mr. Low: It is not a question of the Alberta government at all. If we can keep the goon gang quiet for a moment I will continue. I want to tell you briefly why the proposition of nationalization of the pipe line is untenable. I heard mention here today of a similarity between the Ontario hydro and a nationalized pipe line. There is no similarity at all. The fact of the matter is that in the case of Ontario hydro you have a government enterprise that manufactures the service and the product it has to sell to the consumer. In the case of a pipe line, if the government were foolish enough to try it, the government would not own the supply and it would have to make a deal with a dozen private enterprise producers in my province and other provinces in an effort to obtain a supply of gas.

Now, that is not all. If the government were ever foolish enough to attempt to go into the nationalization of a pipe line of this kind it would find itself confronted with the producers on the one hand. The producers are attempting to get a return on the risk capital they have put into the exploratory work to get gas. They want to have a fair return on that gas. All they ask is a fair return and I believe they are entitled to it just as the government of Saskatchewan has already acknowledged that private enterprise developing its oil and gas also wants a fair return. As I said, the government would be between that group and the great group of consumers in eastern Canada. Let us never forget that the producers in Alberta look upon the proposition this way.

The number of consumer voters in Canada would be 50, 60 or 100 times as numerous as the producer voters in this country. Whom are the government going to consider first in any case where it finds itself in a squeeze between the consumers and the producers? The producers of Alberta are quite certain that no government with any sense of reality would put itself between a group of consumers 50 times as numerous as the group of producers and have to make a decision as between the two groups with respect to price.

The producers in Alberta do not want to be in that position. I do not want them to be in that position and the government does not want them to be in that position. For that

reason and for many other reasons which I could cite, the people who are producing gas in western Canada today do not want to be in the position of having to sell or of being ordered to sell gas to a nationalized pipe line. Not only that, but the government of Canada does not own any right of way. It would have to get a right of way and to do so it would have to negotiate in exactly the same way as a private company. It would take a long time. The government would have to secure a licence to export gas out of the province of Alberta. The government would also have to get a lot of other things all of which would take time.

If we should take the principle of nationalization—and God forbid that we ever do—it would probably delay the realization of a pipe line and a market for Alberta gas for a good many years to come. There is urgency, Mr. Chairman, in securing a market for Alberta gas. Let us see what that means. I wonder if the Conservatives who are playing fast and loose with other people's money today in this filibuster realize—

Mr. McGregor: Have you gone nuts?

Some hon. Members: Oh, oh.

Mr. Low: I wonder if they realize that the position they are taking actually means $50,000 a day to the people of Alberta in return for their gas. It does mean $50,000 a day. But that does not phase them a particle. Some of them will stand up and say, "Oh, well, it will not hurt to set this back one, two, three or four years". I want to tell hon. members of this house that there is a real urgency to get a market for Alberta gas and to get it at the earliest possible time.

Not only is it a question of dollars and cents to the actual producers of gas, and there are many hundreds of them in Alberta; it also means that there is waiting today in the province of Alberta a $100 million industrialization expansion program which depends upon the finding of that market for gas. Every day that this filibuster goes on that program is set back and made more difficult of realization. Any time industrialization takes place in the province of Alberta it helps not only the people there but the people of all Canada. We have to look at it in that way.

We have not been wholly satisfied that the government policy has been 100 per cent sound right from the beginning, but we decided at the beginning to go along with it because we felt it was in the interests of Canada to accept that policy and try to work for its realization.

An hon. Member: How much money is Alberta putting in?

Mr. Low: You are forcing us to put in $50,000 a day which is now going up in smoke. Not only that, but there is something else that should be told to this house.

Mr. Harkness: The Social Credit government held it up for three years.

Mr. Low: If you will just dry your tears, sister, I will answer you in a minute. There is a very important matter which I think hon. members should consider. The exploration in future years will be set back materially and perhaps for all time unless we do get busy soon and get a market for Alberta gas. We have something like 16 trillion cubic feet of reserves which we think will supply the needs of Alberta, the needs of the population of eastern Canada and the needs of the United States market if it is realized for some 25 or more years. But if a proper market is found for Alberta gas it is more than likely that further exploration will be stimulated which will result in the extension of those reserves at a rate of not less than one trillion cubic feet a year for the next ten years.

It is important that we get a market as soon as possible in order to realize something like the full potential of that tremendous gas field. We need to be put in a position to be able to export some of our surplus to our neighbour to the south in order to balance up our unfavourable balance of payments which in the current year amounted to one billion and thirty million dollars. That is one argument which we need time to develop and I do not intend to do it tonight. I shall have further comments on another stage of the bill.

Before I close, may I just answer the hon. member for Calgary North. He mentioned the fact that Alberta had been responsible in the initial stages for the delay. I deny that most emphatically. May I tell him that the only delay that ever occurred in the province of Alberta with respect to the export of gas was in those days more than 5½ years ago when the province was determining by careful exploration the extent of their reserves. When they knew the extent of those reserves Mr. Manning and his government came out and announced the government's policy and it was followed immediately by an announcement by this government. The hon. member for Calgary North does not know what he is talking about and he will find that out when he gets back home.

Mr. Fleming: Mr. Chairman, faced with one of the most important measures ever to come before this house, the Canadian House of Commons has been gagged and fettered in this debate by a despotic government. This

is indeed a black day in Canadian parliamentary history. The government has inflicted lasting humiliation upon parliament.

The moving of closure has been resorted to only half a dozen times since confederation, the last time being 24 years ago on April 1, 1932. At that time a Liberal statesman, the late Right Hon. Mackenzie King, applied these adjectives to closure, which will be found at page 1611 of *Hansard* of that date:

. . . the most coercive and arbitrary act of which a government is capable . . .

I wonder if the present Prime Minister has forgotten those words. It must be remembered that when closure was applied in 1932 it was after days and days of debate; it came only at the final stage; it came only after the house had gone through various stages of a money bill, in committee, first reading, second reading and then finally in committee on the later sections of the bill. It was only then that closure was applied after weeks of debate.

But here this despotic government announces closure in the opening speech by the minister introducing the resolution in committee. This is a money bill. The amount of money involved in the present bill is $130 million, and the bill before the Canadian parliament in 1932 involved $140 million. Yet the debate on that occasion ran to the final stages. Listen to these words of Mackenzie King:

I submit that the discussion of a matter of such colossal proportions and so all-important to the taxpayers of this country should not be restricted under closure within a day and a half of the time it has been entered upon.

He was speaking only of the final stage.

Action so extreme in character has never been taken by any British government in regard to public taxation. The action of the present administration reduces parliament in its most essential functions to mere futility and complete farce.

What would he have said if the government of that day had imposed closure in the opening speech of the minister introducing the resolution instead of weeks after that stage? We have seen today a gagging and fettering of parliament by the government, aided and abetted by every Liberal member of this house and now supported by the Social Credit. Every Liberal in this house has toed the party line today and this synthetic enthusiasm we have seen on the Liberal benches remains completely unconvincing.

The hon. member for Peace River has made reference to a filibuster. This debate started yesterday and closure was announced before the debate was even begun. Yet we hear talk of a filibuster. Did you ever hear such rubbish as we heard from the member for Peace River tonight? Yesterday that same member was busy disowning the announced alliance in the province of Quebec between the Liberal party and the Social Credit l'union des electeurs. Now we find the same Social Credit leader, not only carrying his followers into the Liberal camp but actually engaging in a warm embrace. Politics indeed makes strange bedfellows. This is an extraordinary alliance between the Liberals and the Social Credit.

In the kind of mentality exhibited by those who have forced closure upon this house today we see an attempt to create a situation in parliament where there is no place for an opposition. They do not want an opposition. Yet I would remind you that the function of an opposition is of the very essence of our parliamentary institution. The minority in the house does not speak by leave of the majority. If that were the case it would be the end of the freedom of speech. No, the minority in a free parliament speaks as of right. What has been done today has been to deprive the minority in this house of their right. When you tamper with that right you are jeopardizing the institutions that have proven themselves the bastions of democratic freedom, and destroying the rights of the minority in the house. This is but a lighthearted assassination of free institutions, and it is perpetrated now by those who call themselves Liberals.

This stratagem was not given birth in any democratic mentality. It is the evil spawn of a fascist mentality. But assassinations always must be performed quickly. It was Macbeth who, on the eve of one assassination, said:

If it were done when 'tis done, then 'twere well
It were done quickly.

That is the mentality of this government. Having decided to perpetrate this assassination of free institutions, they decided that if it were done when it is done, then it were well it were done quickly. That is what their intention is now.

Is time of the essence? Well, they have let five years run by and, if their memories are so short, let me remind them that this house met on January 10 in this session, over four months ago. Even in his first speech of the session, the Leader of the Opposition called for the reference of this subject to a committee, in order that the facts might be laid before the parliament and before the public. This is a deliberate action now. No Cromwell could more swiftly and devastatingly have showed his complete antipathy to parliamentary institutions than the Prime Minister and his government have done here yesterday and today.

We hear a great deal about the function of the committee on money bills. It is one of our parliamentary safeguards in relation to one of the most important functions of parliament, to protect the public against oppressive taxation. Yet what do we see here? The house is not given an opportunity to obtain information. This whole proceeding of the resolution before a money bill has been made a farce by this government. Here is a major project, one of the most important ever to come before parliament, involving the expenditure of millions of dollars, and parliament is not to be permitted to pursue its duty to seek information upon it. Information is not what the government wants parliament or the people to have.

If there were a committee, as there should have been, witnesses could have been called before it, papers could have been called for. But the government will not face a committee. They fear to face the revelation of the facts that will be exposed in a committee and they do not want to discuss it according to parliamentary processes. They do not want to produce letters, correspondence and memoranda. The time factor in this debate is entirely of the government's own creation.

We come now to shameful paradox No. 1. The more far-reaching the issue, the less debate is to be permitted by the government upon it. The more important the measure, the less parliament is to be permitted to know about it.

What of this project? Here we are engaged on a measure in relation to the vital subject of development of resources in Canada, the construction of a pipe line across half of this great country from Alberta to the markets in the east and particularly the market in Ontario, by this Trans-Canada Pipe Lines company, over 83 per cent of whose stock is owned by Americans and will remain under United States ownership, make no mistake about that. As regards this fictitious argument that the Minister of Trade and Commerce has trotted out twice already, that under clause 6 of the agreement there is to be an offering of stock in Canada, I do not think any child is going to be misled by that kind of eyewash. In a public offering in Canada, Americans will have full opportunity to come in and order what stock they want through Canadian brokers.

This company entered into two solemn undertakings at the outset: first, that they could finance this project without government assistance and, second, that they could finance it without gaining the right to export gas to the United States. They have not fulfilled their obligations. They are in default.

This is a continuing default. In the face of this the government has simply temporized. They have dilly-dallied, they have entered into undercover deals, secret negotiations, and the secrecy was carried further by their denials of the existence of correspondence when correspondence was already in existence in their files.

What does this government's proposal amount to? It proposes to use public funds drawn from Canadians in all parts of Canada from British Columbia to the maritimes, and it is going to use that money first of all in constructing at public expense that portion of the line in northern Ontario. Even that portion of the line which should be easiest to build—on the prairies—they are going to use the money of the people of all Canada to build. If this company has any hope of honouring the undertakings into which it entered at the outset, surely it could have financed the construction across the prairies, but the government is coming to its rescue, and the company set up to construct a line through northern Ontario is to be denuded of its capital by this measure in order to finance the construction across the prairies. It is a wild venture on that basis. If the company cannot even finance the construction across the prairies, then I am afraid it is useless for any hon. member to expect this company to be able to finance the repayment of $80 million by April 2 next. It is a wild venture as it stands right now. The house is invited to take a wild leap before looking. There is no assurance of the financing by the company. It would not only be irresponsible on the part of the house, it would be utter madness to take this wild jump. The company is years in default. Has that not registered on hon. members opposite?

So we come to shameful paradox No. 2. The bigger the scale of default, the more aid this government gives. The longer the delay and the longer the continued default on the part of this company, the more benevolence this government is prepared to extend to it at the expense of the Canadian taxpayer. We do not believe in policies of that kind, and we shall fight them. This policy on resources, indeed, is in its essence a proposal to put the money of the Canadian taxpayer at the service of United States investors, and I for one do not think that is the right or duty of any member of this Canadian parliament.

There are alternatives. In view of that company's default, why is not the door opened wide to allow others to come in who may be prepared to finance it? There was Mr. McMahon. It would be interesting to know, —and we could find out in a parliamentary committee—just why he was scared off at

some stage. There is the Gairdner proposal. That ought to be given very serious consideration. There may be others available if the government would stop making a political football of this.

We well know the way in which the Minister of Trade and Commerce has for a long time now wielded his big stick over business, terrorizing business. If you wonder why more offers have not been forthcoming, you will find the reason in the big stick of the Minister of Trade and Commerce.

They have money aplenty to hand over to the assistance of United States investors but they have not money for Canadian municipalities. They have not what is needed to help Canadian municipalities—

An hon. Member: Order.

Mr. Fleming: —in the matter of housing and other essential services. Interest rates are going up, and many municipalities are going to find it infinitely more difficult than in the past to finance their essential services. Yet the government can find ample money to assist these United States investors. They are not Canadian philanthropists.

Who is the author of this infamous proposal? I say to you it is the same minister with the same mentality who sought a year ago an extension of absolute power at the hands of the house; who remains unrepentant over his own lust for power; who is indifferent to the fact that we are buying from the United States nearly $1 billion worth of goods every year more than we sell to that country; who will not lift a finger in the face of the growing concentration of Canadian trade in the American basket, who views with equanimity and indifference the growing United States economic influence over Canada, who demands of his followers that they toe the party line, who is up to his ears in unsold wheat, who has made such a monstrous botch of the marketing of wheat and now would make a botch of the marketing of natural gas in Canada, who wants to play fast and loose with a great national heritage, who will not have a committee because he does not think it is good for members of parliament, including his own followers, to know very much about the facts because they are only troublesome and unnecessary people, to whom communications are not communications and whose statements indicate, as I do not need to remind hon. members who have sat in the house this session, let alone memory going farther back, that he does not know so often what he is talking about.

So, sir, we see events reaching their inevitable climax. Here is the toeing of the party line. It is this same minister who said, "If we wanted to get away with it, who would stop us?" Now we will see the full fruits of that kind of attitude, that kind of mentality, on the part of a despotic minister.

But it is not only the Minister of Trade and Commerce, for others share the responsibility with him and principally the Prime Minister who sits silent in this house in the face of a major issue, who voted for closure today, who has retired in all but name, who is not doing his duty in this house in sitting silent and allowing measures like this to be perpetrated upon the Canadian parliament, who is hiding behind a reckless Minister of Trade and Commerce. Behold the wantonness of power!

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Fleming: The Minister of Trade and Commerce concluded his words on May 8 with this sentence:

> The action proposed today is another declaration of independence by Canada . . .

That is an interesting expression. There never was a declaration of independence in the history of Canada, but there was a declaration of independence in the history of the United States. The Minister of Trade and Commerce is confused, you see, as to what country he is supposed to be serving. What the Minister of Trade and Commerce really meant to say was: "The action proposed today is another American declaration of independence with Canadian assistance."

So I say to you, sir, in conclusion—would that I had more time!—that it is the duty of free men in a free Canadian parliament to assert Canada's independence of United States economic domination. That right was won for Canada by Sir John A. Macdonald in the construction of the C.P.R. as a Canadian enterprise.

Some hon. Members: Oh, oh.

Mr. Fleming: It was won for Canada in the national policy of 1878. It was preserved by Sir Robert Borden in 1911, and if there is any—

An hon. Member: What about 1930?

Mr. Fleming: —respect for freedom in this country, Mr. Chairman, that right of Canada to preserve her economic independence will be maintained and assured to her not by the worn-out government opposite that has forgotten all sense of responsibility, but by those who value and understand the meaning of freedom and are prepared to struggle in this House of Commons to preserve freedom and to resist every arbitrary measure

inflicted upon it by a despotic government headed by a Prime Minister who is not doing his duty.

Mr. Prudham: Mr. Chairman, for a few quieter moments I propose to place some facts on the record about this project, the greatest national project that has come before parliament in our generation. I should like to review the development of the gas industry in Alberta. In 1901 gas was discovered at Medicine Hat. In 1912 the first pipe line was built from Bow Island to Calgary. It was a 16-inch line and about 170 miles long. At that time it was an outstanding feature of pipe line construction on this continent. It was later extended to the Foremost and Turner Valley fields.

The second major pipe line in Alberta was from the Viking-Kinsella field to Edmonton, which was later extended to other nearby communities. The first major era of gas production in Alberta came with the discovery of the Turney Valley field. Turner Valley gas is wet gas. In other words, it contains a large amount of by-products in addition to the methane or dry fuel gas.

The flares of gas which burned in Turner Valley for 30 years are a black mark in the history of conservation and use of our resources. From the discovery of Turner Valley in 1924 until 1952 more than a trillion cubic feet of gas from that field was burned to waste with nearly all the by-products also lost. This represents a loss in equivalent heat value of 40 million tons of good grade coal.

The discovery of oil and gas in Alberta was no accident. The exploration which eventually led to the discoveries was based on painstaking and careful study by the geologists of the geological survey of Canada as well as by private companies and to some extent provincial governments.

The knowledge of the geology of the western provinces was built up over a period of 50 years by the geological survey of Canada. Their maps and reports have always indicated that western Canada was a very promising area for production of oil and gas. In 1947, following the discovery of Leduc, the men of the geological survey of Canada became very concerned lest the history of the waste at Turner valley be repeated. Dr. Hume, director-general of scientific services of the Department of Mines and Technical Surveys, in an article published in the magazine, *Western Business*, for November, 1947, discussed the prospects and had this to say:

> It would seem highly improbable that a gas pipe line southeastwards from the Peace river area to Edmonton would be feasible in view of the gas supplies already available there and at Athabaska. On the other hand, an outlet to Vancouver has many desirable features, such as a large market and the obvious advantage from the national standpoint of greatly assisting the development of the whole Peace river country. Such a plan would also have the further advantage of leaving the gas from central and southern Alberta available for other enterprises and if the reserve was found to be adequate it might be piped even as far as the industrial part of Ontario, supplying various prairie cities, including Winnipeg, en route.

The pattern of pipe line development that he suggested at that time is now being followed. In 1948, before I had the honour to come to this parliament, the Minister of Trade and Commerce asked the Department of Mines and Technical Surveys to make a survey of gas reserves in western Canada. That survey was undertaken by Dr. Hume and Mr. Ignatieff and their estimate of gas reserves in 1948, in Alberta and Saskatchewan alone, exceeded 3 trillion cubic feet. At that time there were no proven reserves in British Columbia, although discoveries had been made in the Alberta part of the Peace river district. Their report indicated, however, that the prospects in British Columbia were excellent. Many thought at that time that their report was overoptimistic but subsequent developments have proven that it was very modest indeed.

In November, 1953, the conservation board of the province of Alberta stated that reserves in Alberta as of June 30, 1953, were 11½ trillion cubic feet. I believe that the hon. member for Peace River said this evening that they are now 16 trillion cubic feet. The Alberta government then stated that there was an excess for export over Alberta's needs. The Alberta conservation board placed Alberta's needs for the next 30 years at 4·45 trillion cubic feet. Up until November, 1953, the dominion government had no gas with which to deal. There has been a great deal of loose talk about the five-year delay by this government. The hon. member for Bow River this afternoon charged that this government was guilty of delaying this project. I repeat again that this government had no gas with which to deal until Alberta declared a surplus late in the year 1953. That was less than two and a half years ago. In anticipation of surplus gas from Alberta the policy of this government was clearly stated on March 13, 1953 as recorded at page 2929 of *Hansard* of that year by the Minister of Trade and Commerce. I quote in part his words:

> Therefore the policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.

This government has never deviated from that policy. In 1951, shortly after I became Minister of Mines and Technical Surveys, an American company known as the Murchison group came to Ottawa to consult with the geologists of our department about the gas reserves in the western provinces and indicated their interest in building an all-Canadian gas pipe line. The information of our department was made available to them and it was suggested that, in order to speed up the establishment of reserves, they should enter into the exploration field in Alberta. They subsequently incorporated a company known as Canadian Delhi Oils Limited, which company became actively engaged in the exploration for gas in Alberta and with considerable success. I am somewhat at a loss to know why the hon. member for Calgary South this afternoon ridiculed that company. I know that in any approach they made to our department they never suggested anything but building an all-Canadian pipe line and they said it was entirely feasible.

On February 26, 1951, that particular group applied to the House of Commons for a charter. The bill was a private bill No. 75 introduced by the hon. member for Vegreville. It was a bill to incorporate Trans-Canada Pipe Lines Limited. During that debate and subsequent ones an all-Canadian route won general support from members of all parties in this house. About that time another company was incorporated known as Western Pipe Lines Limited, whose stated objective was to export gas to the United States. This company was not interested in the central Canadian market.

On January 12, 1954, in response to a question from the Leader of the Opposition the Minister of Trade and Commerce made a statement which I shall quote in part. It is recorded at pages 1017 and 1018 of *Hansard*:

> . . . 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. 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.

Mr. Regier: I rise on a point of order, Mr. Chairman. Is it within the rules of the house for a minister who is not responsible for the resolution to be reading his speech?

The Deputy Chairman: I think perhaps I might just answer that question by pointing out that even a minister is a member of the House of Commons and is treated in the same way as is any other member. The same point was raised earlier.

Mr. Prudham: Mr. Chairman, I have been quoting from *Hansard*. To repeat the last sentence of that quotation from *Hansard*:

> 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 initiated the merger of the two companies I have mentioned.

Mr. Chairman, there has been a great deal of talk about a so-called "chosen instrument", and to the effect that the Trans-Canada company is the chosen instrument of this government. I should just like to say that the record proves that Trans-Canada Pipe Lines Limited, as it has existed since that amalgamation, is the chosen instrument of the Alberta government. It holds the only permit from the province to export gas from southern Alberta and that right to export surplus gas from southern Alberta is exclusive.

The reserves in western Canada have been increasing at the rate of two to three trillion cubic feet of gas per year. The hon. member for Calgary South places the figure at four trillion cubic feet. Hon. members might be interested to know that the total production of gas in Alberta, including wastage, since 1901 amounts to 2½ trillion cubic feet. Of this amount about half has been wasted. Only about half of that gas, since it was first discovered, has been used. Since the discovery of oil and gas in the Leduc field in 1947, the amount of gas burned to waste in the production of oil has amounted to 158 billion cubic feet. In order to indicate at what an alarming rate this wastage is increasing, may I point out that in 1953 this wastage was over 17 billion cubic feet and that in 1955, just two years later, it was over 37 billion cubic feet. That is an increase of 20 billion cubic feet in two years. These figures indicate how important it is to find a market for this gas in order to prevent this wastage.

An immediate market for surplus Alberta gas is extremely urgent, first, to prevent wastage; secondly, to release the large amounts of capital which are at present tied up in unproductive wells; and thirdly, as an incentive to exploration.

Northern Ontario Pipe Line Corporation

The government of the province of Ontario says that new sources of energy are urgently needed to supplement hydro power. With the development that is taking place in this country, partly at least due to the good government we have here in Ottawa,—

Some hon. Members: Oh, oh.

Mr. Hees: No comedy, please.

Mr. Prudham: —it is my opinion that this gas will be needed to supplement existing sources of energy rather than to replace them. It is expected that when western natural gas is first introduced into Ontario and Quebec, there will be some slight dislocation of the coal industry by the replacement of coal with natural gas. However, in Ontario the coal that is used is largely imported from the United States. The growth of requirements for energy in Ontario is such that, after the initial adjustment, the gas that the Trans-Canada line will provide will be needed to supplement rather than to replace existing sources of energy.

During the last few days I had the honour of travelling through northern Ontario with the hon. member for Kenora-Rainy River. I had a chance at first hand to see the great storehouse of resources in that part of the country. No member from northern Ontario need apologize for the extra cost of building the line through that area. In that part of the country we have one of the greatest storehouses of mineral resources in the world. Natural gas will provide the key for unlocking those great resources.

Incidentally, the amount of gas that Alberta has dedicated to the project is 4·3 trillion cubic feet, which is equivalent to 174 million tons of coal. The delivery rate in the early years of the line is estimated at 300 million cubic feet of gas per day. And that is the equivalent of about 4 million tons of coal per year.

Mr. Chairman, the points with which I have dealt emphasize the need for an early start on the construction of the trans-Canada line. The proposal now before the committee provides the only possibility of getting the line under way this year. This project must be under way during the month of June in order to complete the construction of the first section this year. The company, by accepting the proposal, agreed to make an immediate start and to finance the balance of the line by March 31 of next year or failing that to forfeit its right to build the line as well as a substantial equity. If it does not perform within the time specified, this government is committed to seeing that the line is completed by other means. In the interests of conservation, in the interests of the orderly development of our resources and as the minister representing Alberta in this cabinet, I say let us get on with the job.

Mr. Churchill: We have witnessed in the House of Commons one of the strangest acts ever performed by a government of Canada, the imposition of closure at the virtual commencement of a debate. Yesterday in his introductory speech, the Minister of Trade and Commerce set out the arguments for the resolution now before us and gave notice of his intention to move closure. Today, he imposed it. In effect, closure was threatened and imposed before the subject matter before the house had been considered.

Now, closure was never intended to be used in this way and has never been used in this way before. In its origin in the 1880's, in Gladstone's time, it was introduced into the British House of Commons to prevent the wilful obstruction of the business of parliament by a small, irresponsible minority.

Some hon. Members: Hear, hear.

Mr. Churchill: It was not designed in the British House of Commons to restrict the official opposition. When closure became part of the rules of the Canadian House of Commons in 1912, Sir Wilfrid Laurier raised the most strenuous objection. He gave four examples of the obstruction of the business of government in the period from confederation to his day. He suggested that in the interests of free speech and the liberties of parliament it was better to endure periods of obstruction than to impose a rule as severe as closure. He said that a government, faced with obstruction, would do better to dissolve and settle the problem by an appeal to the people.

On the other hand, the Queen's government must be carried on and occasions have arisen infrequently in the history of our parliament when the government of the day has imposed closure in order to force through the house some business which it considered of vital importance. But those instances of closure occurred only after extended debate and not, as on this occasion, before the debate had commenced. This is indeed a serious misuse of a very powerful weapon. Only a government drunk with power would stoop to the immediate use of closure in order to prevent discussion in this house. It is doubly serious to curtail debate on an issue such as the one before us which is so complex, so ill-devised and so improvident. If ever a measure before the House of Commons required complete and careful consideration and examination, it is

this one that provides millions of dollars as a handout to foreign capitalists.

The minister responsible for this is the very one who, during his career, has been ignorant of parliamentary history, impatient with parliamentary procedures and disdainful of the customs and usages of the House of Commons. He is the one who last year attempted to usurp full power and was checked by a vigilant opposition. This year he is determined to have his way and to use the forms of parliament in order to destroy the substance of our liberty. This is a black day in the history of the Canadian nation. All of this is being done on the plea of urgency, which is a specious plea.

We have been told that the pipe line must be started by July 1 if it is to be built this year, and that Trans-Canada company must have the handout of taxpayers' millions by June 7. After five years of bungling delays everything has to be decided by parliament in twice five days. This is coercion. The argument of urgency to pass this legislation is misleading. The pipe line could be started this week if the company had any initiative and was prepared to substitute deeds for words. There is no need for such an arrangement as an agreement that this legislation must be passed by June 7 before the company will undertake its part of the contract. It is misleading to suggest that if this legislation is not forced through the house by June 7 the company cannot proceed.

Apparently the company requires a loan of about $80 million. The work will take an estimated four months, and that is an average of about $20 million per month. In all likelihood the first month would be used in preliminary activities for which perhaps much less than $20 million would be required. The precious pipe, cornered by the Tennessee gas company, is worth $30 million. It cannot be put into the ground all at once. The option to purchase it runs until well into the fall and payment is required only on delivery. The company is reported to have $8 million in cash on hand. There is nothing to prevent the company from starting immediately. Certainly, it is right to press on with the construction of the gas pipe line this year, but to do that it is not necessary to mislead parliament or the people of Canada. It is not necessary to confuse the issue or to bypass normal parliamentary methods.

Why such a sudden concern on the part of this government for the people of Manitoba? Where was the concern last year or at any time within the last five years? They are now concerned that gas shall be provided for Saskatchewan and Manitoba, and they are anxious that Winnipeg shall have it this year. So are all of us who live in Manitoba, but Manitoba has been sold down the river by this government. In 1951 a charter was granted to a Canadian company to build a gas pipe line to Winnipeg. Had the Minister of Trade and Commerce not interfered, Alberta gas would have been delivered to Manitoba three years ago.

An hon. Member: Have they an export permit?

Mr. Churchill: Manitoba now has had to wait and apparently it will have to continue to wait. In addition to that it must pay a subsidy through taxation to get gas and to bail out the Minister of Trade and Commerce and assist his American friends. The urgency is not so much the desire of this government to get the Alberta gas to market nor is it a matter of getting gas to Manitoba this year. The real urgency has been summed up extremely well by Blair Fraser in an article published in a recent issue of *Maclean's* magazine, and I give you his words:

> They are determined that they will not enter an election campaign next year still carrying an inactive American-owned pipe-line company on the back of their necks.

The American masters of the Minister of Trade and Commerce do not understand our parliamentary system and the minister cannot explain it to them because he does not understand it himself. They do not trust him—

Mr. Garson: We do.

Mr. Churchill: —hence the agreement that the commencement of the work depends upon the passing of this legislation and hence this muzzling of parliament. Some of the minister's American masters perhaps may think Canada is still being ruled by Great Britain—

Mr. Howe (Port Arthur): Mr. Chairman, on a question of personal privilege, I have no American masters and I suggest the hon. gentleman withdraw.

Mr. Churchill: I will withdraw that and substitute masterful American friends.

Mr. Howe (Port Arthur): Well, once a louse always a louse.

Mr. Fleming: You ought to know.

Mr. Churchill: It is time they learned the facts of life. Perhaps they think that the House of Commons is like their House of Representatives or that our Senate is as powerful as theirs. Some of them may think the proposals of our government run the danger of being rejected by parliament. Perhaps they think that somewhere in the background is the power of veto.

What they should be told is that once our government has made up its mind to lend money to the oil barons of Texas and has cracked the whip over the Liberal caucus all that remains is to debate the issue in the House of Commons, that that debate may run for several days or weeks but can be choked off by closure and therefore once government policy has been announced and legislation introduced into the house the green light has been given to the pipe line project and the money will be forthcoming in due course. The Trans-Canada pipe line company will get its handout of $80 million from this government, for this government is not only all powerful but is fully determined to pursue this wretched course of paying tribute to Texas oil barons, and nobody can keep them from their folly. All the opposition can do, to use the very apt phrase of the hon. member for Rosetown-Biggar, is to expose them, and because of fear of exposure the government has clamped on closure.

The issue confronting us may be summed up in one sentence: Because the Tennessee Gas Company has cornered the market in 34-inch pipe, the Canadian people must now be taxed to pay tribute to Texas oil barons and the House of Commons is being muzzled by an arrogant oligarchy.

American influence on Canadian life has permeated right into our House of Commons. If it were not for this unwise, unnecessary and improvident arrangement to pass legislation by June 7 our parliamentary customs and usages would not now be in jeopardy.

Let us see what has happened to our customs and our usages. Not only has closure been applied at an unprecedentedly early stage in our proceedings, but yesterday the Minister of Finance, relying on the government majority, abrogated the customary procedure of questions before the orders of the day. The question period is one of the most valuable privileges of the House of Commons. Had it not been for the question period during the last several weeks we would have known even less about the pipe line problem than does the Prime Minister. We are witnessing here a continuation of the serious undermining of the power of parliament. The system is but imperfectly understood. People are under the impression that the opposition can prevent the government from carrying out its policy. The government, preying on those misunderstandings, uses its present methods to stifle debate and committee investigation and prevents full disclosure of the facts. The government pretends that closure is necessary this week. It is a thoroughly bad precedent that is being set and I hope it will not be forgotten. That is the seriousness of the situation as I see it; this erosion of the institution which is the centre of our democracy.

In the book entitled "Parliament" by Professor W. Ivor Jennings which is a standard work on the British parliamentary system and which every hon. member of parliament should study—

Mr. Fleming: Especially the government.

Mr. Churchill: —he sums up the function of the opposition in parliament. He points out very clearly that the power of the opposition itself rests only on sufferance. There is nothing whatever in the constitutional machinery that prevents the opposition from being suppressed. The government, being as powerful as it is, could wipe out the opposition if it so desired. The opposition cannot out-vote the majority; it can only defy it and appeal to the people.

An hon. Member: And expose it.

Mr. Churchill: What are the checks and balances in this system to offset an all-powerful government? There are three main checks; the freedom of election, the freedom of assembly and the freedom of organization. If you can have free elections and if you may assemble freely, and if you have the freedom to organize, you can effectively check a government which tends to be all powerful. The checks and balances are mutually interdependent; one alone cannot be overthrown. As long as they remain it is the function of the opposition not only to see that they operate but also to prevent gradual and insidious encroachments. We have witnessed here today a gradual and insidious encroachment, unprecedented and completely unnecessary.

We should have been permitted the right to conduct our examination of this resolution as we do all other resolutions in this house. We should be permitted on second reading to conduct a full debate when we reach that stage. When we reach the stage of committee of the whole house after second reading we should be permitted to fully examine the bill then before us, item by item, and receive answers to questions. We should have the chance at that stage to raise amendments and perhaps succeed in having the government agree to some of our proposals. Similarly we should have the chance on third reading to conduct a full debate. What faces us now? Closure; no debate; restricted debate.

An hon. Member: What are you doing now?

Mr. Churchill: We are restricted to 20 minutes and the subject matter is worth a two-hour discourse.

Mr. Harris: You are doing very well.

Mr. Churchill: We are restricted to 20 minutes on an issue like this that touches upon our rights and privileges in a free country. We are restricted to 20 minutes and even those 20 minutes are restricted by unnecessary interruptions—

Mr. McIlraith: Irrelevancies.

Mr. Churchill: —such as the one by the hon. member for Ottawa West. Let him get up and talk on this subject. Why is he not a defender of the liberties of the people?

Our parliamentary system has grown up over the centuries. The British people have gone through all forms and known types of government and have decided upon the parliamentary system as being best suited to their needs. We settle matters by debate, by majority rule; we settle matters by using the ballot, not the bullet. In the development of our parliamentary system the majority has learned not to ride roughshod over the minority.

Some hon. member said tonight that he was glad that the government had now determined to rule the opposition, or rule parliament, or something like that. Parliament is the union of forces; the government on the one side and the opposition on the other. There is give and take in the procedure. Under normal conditions the government would change and those on this side would change places with those on the other side. We have had 20 years of what has become almost one-party government and the people are forgetting the basis upon which our parliamentary system was founded.

It is unfortunate that we have reached the stage where parliament cannot be conducted as it was in the days of Sir John A. Macdonald, Sir Wilfrid Laurier, Mackenzie King, Sir Robert Borden and Mr. Bennett.

The Chairman: I am sorry to interrupt the hon. gentleman but I am obliged to advise him that his time has expired.

Mr. McIvor: Mr. Chairman, it is almost presumption on my part to take part in this debate after the big guns we have heard have spoken. I should like to hear some member of the opposition, and I expect it would be the hon. member for Vancouver-Quadra, stand up and speak without calling the government or cabinet ministers by certain names which are undignified.

I had been on the committee of railways, canals and telegraph lines since the beginning and I cannot forget those first meetings. I see again the right hon. minister standing up and making his statement and saying, "We want an all-Canadian pipe line." He wants to get it. He told us then that that was a government policy. It is government policy yet.

As I listen to the opposition I see that the official opposition and the C.C.F. are agreed on two things. They are agreed that we should have an all-Canadian pipe line. They are agreed also that the government is not doing it the right way. If the government did it according to the official opposition the C.C.F. would be up two, three or four at a time. If the government did it the way the C.C.F. want it the opposition would be telling them off. Perhaps they would be right in doing so.

I agree with the hon. member for Peace River when he says that the opposition have brought this closure on themselves because of their attitude. In the last two days we have had seven obstruction votes. An hon. member sitting on this side of the house cannot help but wonder why an hon. member would call another vote when he knew perfectly well how it would turn out.

Some years ago the right hon. Minister of Trade and Commerce was called a dictator, but I think that name would be more honourable to him than would LL.D. He was blamed for selling out to the United States when it was announced in some papers that Canadair had been sold. He was accused of selling out to the United States. But he said that a United States company had only got an option and that if there was anyone in Canada who wanted to buy Canadair they could do it. Those who called him a dictator then were no more right than are those who call him that today.

The reason we have this pipe line is because the people want it. I can remember when the right hon. minister was called home from Ottawa to Port Arthur and Fort William. The two city councils and a delegation including the mayors and representatives of nearly every municipality around met with him. It was just after the minister had got the two companies to co-operate. I asked the delegation why they were asking the minister for this thing and the whole chorus was, "We want it." They did not have anything to offer in the way of cash, but they wanted it and they still want it.

Then I asked the minister if when these two companies had come together the last hurdle had been cleared but the minister just shook his head. He knew far better than I did. I remember in the early debates in committee there was one hon. member who impressed me very much. He knew far more about oil and gas than I did. I refer to the hon. member for Calgary South. I congratulate him upon his courage. No doubt he

told his caucus what he was going to do. That seemed to be quite evident today. He had the courage to stand up and support the dictator.

Some hon. Members: Oh, oh.

An hon. Member: Well named.

Mr. McIvor: I congratulate the right hon. minister upon his outline of the plan when he stood up. I do not need to repeat anything because I think it would be difficult for anyone to stand up now and say anything new. I congratulate the minister upon being clear and clean of Mr. McMahon. If I were forced to do so I could give my personal reasons for saying that, but they are not money reasons.

Another thing that I got up to say tonight is that a while ago we heard the opposition criticizing the government for not having work for the unemployed. Now this plan will give employment for 600. There is a good deal of unemployment in Vancouver and in Toronto and other places. Surely that is a good argument for going ahead with this plan.

Mr. Macdonnell: I think the Minister of Labour would be able to contradict that.

Mr. McIvor: I think the Minister of Labour, when he speaks, will speak honestly and tell me very decidedly what he knows. But it will take about 600 men who will be employed in the work of this pipe laying. I shall repeat the report that I have that there are a good many unemployed in Vancouver and in Toronto. Why not get those men employed, instead of keeping them on relief? The minister who spoke said that northern Ontario will need gas. He knows and I know that northern Ontario is going ahead, and it will certainly need gas. I congratulate the minister on having the backbone to stand by his policy of putting this national gas line all across Canada. I just wish him good success and sweet sleep at night.

Mr. Stewart (Winnipeg North): Mr. Chairman, I want to discuss some aspects of this Colombo plan for Texas tycoons. The first thing I should like to know is, what is the government afraid of? Why does it have to shut off the debate? What is it trying to hide?

An hon. Member: Nothing.

Mr. Stewart (Winnipeg North): If you are not hiding anything, why are you afraid to send this to a committee of the house where the whole matter could be investigated? What sort of skullduggery is there that you are afraid to discuss? That is an interesting question, and I should like to ask the Prime Minister, "Why not, if there is nothing to hide, present this legislation to a committee of the house for investigation?" There is no answer, naturally. I challenge him to do it. There is still no answer, because the real Prime Minister, as a matter of fact, has left the house.

Mr. Dickey: You do not like action.

Mr. Stewart (Winnipeg North): I have heard the ministerial assistant pop up like a gopher time after time. It is possible that his interruptions may have been intelligent, but it is doubtful. If he is under the illusion that he is a wit, I can assure him he is only 50 per cent correct. As I was saying before I was interrupted, I do not like venality but I can understand it. I might even have some appreciation for venality on a massive scale but what I cannot appreciate is stupidity, and this legislation which is going to come before us and which is forecast in this resolution is unmitigated, undiluted and unadulterated stupidity.

Of course, this legislation is also the love child of the minister, spawned in the most dubious areas, spawned in an area of fiction and fantasy, in a dream world or, to put it in Anglo Saxon, an area of lies. I rather think that, if Baron Munchausen were to come to earth, (a) the minister would clasp him to his bosom and (b) he would make him deputy minister in charge of pipe lines, because this whole story has been marked clearly by lie after lie. I intend to put some of them on the record right now. This is from the standing committee on railways, canals and telegraph lines which sat in 1951. As recorded on page 8 of the proceedings, Mr. Tolmie, counsel for these pipe lines, said:

> The project, Mr. Chairman, as all members probably know by now, is to build a gas pipe line from Alberta east as far as Montreal, and with the possibility and the hope that it can be extended further east from Montreal at a later stage when the capacity is fully utilized.

You will note that it is an all-Canadian pipe line, with no suggestion of exports to the United States. Then let us take the evidence of Mr. Frank Schultz, the vice-president of Canadian Delhi Oil Limited, on page 11:

> You may be interested to know about the marketing situation. We are satisfied at this stage that adequate markets exist in the eastern part of Canada to consume all the gas that we can produce and move through this line.

There is no question of a line to the south. It is an all-Canadian project. On page 15 the same man again said:

> Our only interest is bringing Alberta gas to the eastern part of Canada.

They were not interested in making money; they were not interested in having a pipe line to the United States. They just wanted to

serve eastern Canada. Mr. Shattuck, who represents a firm of marketing engineers, had the temerity to present certain financial statements to the board of transport commissioners and, I suspect, to the government. When I see an engineer getting mixed up with financial statements, then God help us all. As recorded on page 23 of the same minutes of evidence, Mr. Shattuck had this to say:

> Our work has gone far enough so that we are assured that, at any rate, the market would absorb one hundred billion cubic feet of gas a year at prices that will service the pipe line, pay the operating costs, and service the debts necessary to finance construction.

On the basis of these lies, the committee gave approval to that legislation. But then there was the time when the company had to appear before the board of transport commissioners. In June 1954 we had the chief commissioner asking a witness certain questions. The witness was a man named Mr. Tanner, who was at one time a cabinet minister in the social credit government of Alberta and then went to his reward with the oil companies. Mr. Tanner is so convinced of the financial strength of this company and the future of this company that, of the millions of shares, he has subscribed for two of them. Mr. Tanner was asked by the chief commissioner of the board of transport commissioners if construction would begin by June 1, 1955. Mr. Tanner said:

> Yes, we feel rather confident of that.

He had no doubt. He was quite confident. Then, on page 3525 of the evidence, Mr. Tanner said:

> We will start construction early in 1955. We shall be in a position to deliver gas to Winnipeg by November 1955. Pipe laying east from Winnipeg will be taken care of in 1956.

There were no ifs, ands and buts. It was a certainty. This was going to be done. The company deceived the board of transport commissioners and they kept on deceiving them with other statements. For instance, Mr. Tanner said:

> We can undertake the building of the line in the spring of 1956, completing it during that same year.

Again there was no doubt. But what was perhaps the deciding factor with the board of transport commissioners was one of the minister's boys who was sent there to make a statement before the board of transport commissioners, and I hold the minister responsible for he cannot pass the buck to him for it. This civil servant said:

> An export outlet such as Minneapolis may mean reduction in laid down price in eastern Canada.

When this emissary of the minister was making that statement, by then the company had already filed certain statements of its own. The company said that the price in Manitoba in 1955-56 would be 36·7 cents to the company which was going to deliver the gas to the consumer and that at the Manitoba border the price would be 34 cents. They never envisaged that by 1955-56 the line would be in the east. But we get another projection with respect to 1958-59. By this time the price of gas in Manitoba, instead of being down as the minister forecast, would be up to 40·7 cents, a 4-cent increase, while the price to the Americans at the portal at Emerson would be down to 32·9 cents. The hon. member for Saskatoon says that Canadians are subsidizing the Americans, and that is precisely what is happening.

But these were not the final figures. I have figures here which are perhaps more definite but I doubt if they are definitive. Now the Winnipeg price is going to be 33 cents to the distributor but the price at Emerson is going to be 25 cents per thousand cubic feet to the United States importing companies. In other words, there is going to be an 8-cent spread between us in Winnipeg and Emerson, 60 miles away, and this is being done, in the words of the *Free Press*, to confer great industrial benefit upon the people of Canada. Here is an 8-cent differential and yet Winnipeg is 60 miles nearer the source of gas. And so this company is determined to subsidize United States industry at the expense of the Canadian taxpayers with the help of the Liberal government made up of members of the Liberal party who insist on selling Canada down the river.

There is another aspect to this feature of cost. The minister is going to get this through. We know it. And he is going to get it through in a hurry. It is going to be done as rapidly as possible and it is going to be done in a mood of damn the cost. But the Canadian taxpayer is going to have to pay these costs sooner or later. The government has had months to make up its mind what it was going to do, if indeed it was ever possessed of a mind at all, but it deferred it, it put it off until finally, almost at the last stage in the game, it brings forward this legislation and then the minister gets up and moves closure. I have a very high personal regard for the Minister of Trade and Commerce but there are times when he should not be allowed within a thousand miles of any democratic legislature.

Let me go on with some of the representations made by Trans-Canada Pipe Lines. Mr. Tanner said to the board of transport commissioners:

> In five years we would be able to build up a market in the east of approximately 500 million cubic feet a day.

Northern Ontario Pipe Line Corporation

The board of transport commissioners believed him and I do not blame them but I do blame the board when time after time this company went back to get its application renewed, although the board knew it had been lied to, although the board knew it had been deceived, the board still assented because a minion from the minister said, "It has got to go through; the boss has spoken." And so the company was given permission to extend the permit still further, and we see the result of the board's credulity in the judgment of the chairman of the board. He mentions Trans-Canada's hopes and says:

> Trans-Canada hopes to commence construction early in 1955, deliver gas to Winnipeg and Emerson by November, 1955, complete the line to Toronto in 1956 and to Montreal in 1956 or 1957 at the latest.

The board believed that because they made the mistake of believing the witnesses who were heard. Dealing with the capital cost again the chairman of the board had this to say:

> The estimated cost of construction of the line and facilities is $299,139,000. . . . The board is convinced that such estimates have made reasonable allowance for foreseeable contingencies and have been prepared by skills and reliable estimators.

This was in 1954. Two years have passed. The cost of living may have advanced in those two years but not by the 30 per cent increase with which we are now confronted by these skilled and reliable estimators. How skilled can they be when, having taken into consideration all contingencies, we find now that the cost of the line will probably be $100 million more? How reliable are these people upon whom the board relied? Their unreliability is more than obvious. Then, again, we were told in the judgment of the chief commissioner that there would be no question about financing. The financing was to be done on the American basis of 75 per cent in first mortgage bonds, 12½ per cent in debentures and 12½ per cent in common stock.

The committee will note the 12½ per cent in common stock. Why is it so small? Because history shows that these gas pipe lines in the United States have been gold mines and after paying off a nominal sum in interest to the debenture holders those who have had common stock have had their snouts thoroughly stuck into the gravy trough. In addition, as I will show later, this company is going to be in a position where it can pay a dividend of at least 20 per cent on the common stock, whether one takes the first fanciful figures submitted or the less fanciful ones which the minister got a month or two ago.

[Mr. Stewart (Winnipeg North).]

Then we are told about the economic feasibility of the project. The board of transport commissioners had no doubt whatsoever about the economic feasibility of this line. Of course, doubt has recently arisen that it is not economically feasible, but the whole argument of the government now is based in no small measure upon the necessity of the lateral from Winnipeg to Emerson so that gas can be sold to the United States in order that the financing can be more readily arranged.

But what was the position of the counsel for Trans-Canada Pipe Lines in 1954 when he appeared before the board of transport commissioners? This is what Mr. Tolmie said:

> The Emerson lateral is not a separate line and it, of course, cannot be proceeded with or even contemplated by itself. It may be that it can come in at the beginning as an added feature . . .

In other words, this so essential feature today was at one stage in the game merely an added feature, something of no consequence, something of no importance, something which could be sloughed off. But now this added feature apparently is all-important because American industrialists have got to be supplied with cheap gas and Canadian citizens have got to pay for that subsidization. Mr. Tolmie said:

> It may be that it can come in at the beginning as an added feature and assist greatly in the financing towards the initial return.

Of course it would assist but I would call the committee to witness again that this lateral to the south was not an essential feature of the first plan. It has only become an essential feature in later days. Why? Because this company has no intention of having its sales to the United States restricted to 200 million cubic feet a day. The minister may not have liked McMahon's idea of 400 million cubic feet but this company is going to try to get it because it wants the gravy. This company is not going to sell in Canada to industry because its price will not be competitive so far as industry is concerned but is going to sell to the luxury trade. It is not even going to be competitive down here with oil. It is going to sell to the Cadillac group, to the ministerial class who can afford to pay that price.

I have already mentioned the Winnipeg price. Again the board of transport commissioners was fooled, and apparently they love being deceived for time after time they renewed the permit. The chairman said:

> We noted that the price to be paid Trans-Canada at Emerson by Northern Natural is 34 cents per 1,000 cubic feet and is 2 cents per 1,000 cubic feet less than the anticipated price to gas distributors in Winnipeg . . .

Two cents at that time, now 8 cents. Does the government pretend for a moment that this is a provident suggestion to the people of western Canada? Does the government think for a moment that we like to pay 8 cents more in Winnipeg than American industries are going to pay south of the border? Yet that is what we are being asked to do by this legislation.

Let me deal with another matter if I have time, and if not I will deal with it at another stage. I want to discuss the balance sheet which was presented to the board of transport commissioners to show the financial solidity of the company. Assets are shown as $361,215,000 and liabilities are of course the same amount. But what is interesting is that the common stock at that time was $37 million. Here is the projection made by a firm of engineers to October 31, 1961, showing common stock of $37 million and earned surplus at that date of $32,765,000. That is not a bad showing for five or six years. There is also submitted a profit and loss account of this company projected to 1961. This profit and loss amount shows $13 million available for dividends after all bond interest has been paid and after all income tax has been paid. Of that $13 million, $2,190,000 goes to the preferred shareholders or the debenture holders, call them what you like, and the balance is left available for the ordinary stockholders. Mr. Chairman, this thing is a veritable gold mine. Why then have the Americans to come to the Canadian government to get it financed? What is the catch in the whole thing? Obviously either those who submitted this proposal and this balance sheet and profit and loss account to the board of transport commissioners knew what they were talking about or they were liars. I suggest that they had no idea at all as to what they were talking about, that they were trying deliberately to deceive the board of transport commissioners, and that they succeeded. The pity is that they succeeded not only the first time but on every other occasion.

The Chairman: I am sorry to interrupt the hon. member—

Mr. Stewart (Winnipeg North): I am sorry too, Mr. Chairman.

The Chairman: —but I am obliged to advise him that his time has expired.

Mr. Philpott: Mr. Chairman, I propose to deal mainly with the only issue which is before this house in this whole debate—

Mr. Ellis: Closure.

Mr. Philpott: —and that is whether this house and this government shall proceed with the construction of an across-Canada pipe line now on the basis that is proposed or whether at some hypothetical date in the not-named-distant future we should have a pipe line under public ownership. There is only one issue before this house and that is the proposal made by the C.C.F. opposition and the proposal now made by the Liberal government of Canada, the Frost Conservative government of Ontario and all of the intelligent Conservatives that are left in the Conservative party, including the hon. member for Calgary South who had such a hard job getting on to make his speech today. It is not necessary for me to dwell on the advantage of this general scheme. It has been better and more briefly summed up by the Premier of Ontario, the Hon. Leslie Frost, than by any other person. As recorded at page 389 of the Ontario legislature *Hansard* he said this:

> We think there has never been, since the building of the Canadian Pacific Railway, the great opportunity to do an outstanding job for our country as there is at present.

Then he went on to give reasons why he was endorsing this scheme 100 per cent. Just in passing, may I say that I was very much surprised at the hon. member for Rosetown-Biggar, who made that vitriolic attack on the Frost government of Ontario for teaming up with the Liberal government of Canada to put through this much needed national enterprise, for failing to point out that his own lone supporter in the legislature of Ontario had voted with all of the Conservatives in the legislature of Ontario and all of the Liberals in the legislature of Ontario. The lone C.C.F.'er, Mr. MacDonald also voted for this bill because the vote was yeas 88 and nays nil, and Mr. MacDonald voted. So I address myself to the only issue that is before this house in this debate, namely whether we proceed now with the building of the trans-Canada pipe line under the contract which is now proposed or whether at some nebulous time in the unstated future we go ahead under public ownership. Public ownership is something that every political party in Canada can take some credit for. Even the Leader of the Opposition, with whom I do not always agree, certainly has to his credit achievements in the field of public ownership. This government—and in my opinion thanks to the Minister of Trade and Commerce more than to any other man in this house or in the country—has made an outstanding success of public ownership enterprises such as the Canadian National Railways, Trans-Canada Air Lines, Polymer Corporation and so on down the line. I do not need to mention the C.C.F. The C.C.F. has had some successes and some, shall I say, non-successes

in the field of public ownership in Saskatchewan. Social Credit, which I think is probably the party in Canada least inclined to public ownership, is making quite a creditable success, through the government of British Columbia, in the management of the Pacific Great Eastern Railway in the field of public ownership. Hence I think we can all say that when public ownership is suited for the job, we are all in favour of public ownership. But if there is any virtue of which this government can boast it is that this government has picked as the chosen instrument for each particular job whichever kind of enterprise seemed to be better suited for that particular job.

I submit that public enterprise is not what we should proceed with now for obvious reasons. The most obvious reason, I think—as anyone with any common sense will agree—is that there would be years of delay. In order to build a pipe line, whatever else you must have, you must have pipe. If we were to abandon the Trans-Canada company now in order to go into some unstated public ownership proposition, the government of Canada would immediately be faced by this problem: Where are you going to get the pipe to build the line? While I have no doubt that in a year or perhaps two years they could get the necessary amount of pipe, there is certainly no guarantee whatever that they could get that pipe by the year 1957 or the year 1958; and in my opinion it would be extremely doubtful whether you could complete a public ownership pipe line within two years after the end of the time that you could complete a pipe line under private enterprise.

The second reason, in my opinion, why we should not go ahead with a public ownership project at this time is that public ownership at this time would result in substantially higher gas bills for the users in Toronto, Montreal, Ottawa and all other centres in central Canada. I am able to talk on this particular matter with some knowledge of gas bills. I have been the user of a gas furnace in the city of Vancouver ever since 1942. We, of course, have to manufacture gas. This winter, one month my bill was $38.18. I will say that we had a very cold winter in Vancouver. The next one was $35.08. Last week I received a notice saying that as a result of the coming to British Columbia of the natural gas pipe line my heating bills will be reduced 52 per cent. I see the Leader of the Opposition is smiling. I have no doubt he is thinking that this gas is coming to Vancouver by reason of the enterprise of a gentleman named Mr. Frank McMahon. Let me point out that in this particular case the whole project would have been completely impractical had they not sold the major block of gas to the United States. So, when I talk to my academic friends opposite whose slogan seems to be socialism or bust, public enterprise at any cost, at any time, wise or unwise, common sense or no common sense, let me tell them that in my opinion the whole public ownership proposition of Trans-Canada Pipe Lines would be an extremely difficult proposition to make on an economic basis. How is the government of Canada,—

Mr. Fulton: How is the government of Canada?

Mr. Philpott: —let us ask ourselves the practical question, if they are going to have to sell a big block of gas—the hon. member for Kamloops is good at obstruction, but his obstruction days are over now.

How is the government of Canada, which would require to sell big blocks of our natural gas to the United States in order to be able to serve eastern Canada at reasonable prices, going to go about selling gas in the United States? Do the hon. gentlemen opposite foresee the government of Canada going hat in hand and saying, "Please, Mr. Uncle Sam, will you buy our Canadian gas?" How ridiculous can you get?

So I say that, first we should not proceed now with the nebulous public ownership plan until we have tried every other avenue. A public ownership corporation would not be in the best position to try to sell gas and unless we do sell that gas it would result in higher bills for the actual consumers in Canada.

Now, what shall I say about that strange partnership, the other wing of that strange partnership? When I saw that strange alliance beginning last week, an alliance first of obstruction, I thought back to the year of 1932. We have heard today about 1932 when there was closure in this house and great protest about it. I remember another country in which there was a tie-up between the extreme right and the extreme left, namely Prussia. In that country the extreme right and extreme left, by tactics much the same as were attempted here last week by two gentlemen whom I shall not name, the extreme left and extreme right tied up and parliamentary government went down in that country. It was because the government of the day did not have the gumption or perhaps I would be forgiven the plain word "guts" to deal with that kind of obstruction as it should have been dealt with by parliamentary processes. Just for the benefit of the opposition may I say that the filibuster which they have been

attempting so often in recent weeks is a United States institution and that closure is a British institution.

As the hon. member for Timiskaming pointed out, in the last seven years the British House of Commons, that old mother of parliaments, has applied closure on an average of 21 times every session.

An hon. Member: By agreement.

Mr. Ellis: Tell the whole story. They do it by agreement.

Mr. Philpott: What shall I say about the old wing of that strange alliance? I think that the weeping, wailing, and gnashing of teeth which has been most characteristic of the federal Conservative speeches and the federal Conservative attitude in the past week—they have obstructed and they have filibustered and used every expedient to prevent intelligent debate, for the obvious reason that they had nothing to say. Why have they nothing to say?

Mr. Harkness: Why did you put on closure then?

Mr. Philpott: Because the federal Conservatives have been defrosted; because every argument made by any hon. member of the federal opposition has been answered in advance by the premier of Ontario. For instance, at page 390 of Ontario *Hansard* he said:

> We have taken a generous view with the federal government and recognize their position in this matter has not been simple or easy. I have no intention here of making it more difficult for the federal government to carry its arrangements through. If I did that I would be doing a disservice to this country . . .
>
> We must recognize that in working out an agreement with the Trans-Canada Pipe Lines Limited the federal government has obviously been faced with many difficulties. It was not an easy matter to negotiate the agreement at all . . .

Then on page 391 he said:

> Apparently the Trans-Canada Pipe Lines agreement provides for the quickest and most effective way of bringing gas to Ontario.

When I hear my old Tory friends over there trotting out this old, shabby, broken-down, moth-eaten horse on which they rode to victory in 1911, no truck or trade with the Yankees, I say let us see what Mr. Frost said about that.

Mr. Harkness: You are the last people who should be talking about horses.

Mr. Philpott: On page 392 of Ontario *Hansard*, Mr. Frost said:

> Since the very beginning of this country we have recognized there is a price to pay for Canadian independence. If we had not recognized that, certainly there would be no Canada today. In addition to what has been said about the control of this company, whether the Canadian shareholders had the opportunity to take 51 per cent of the stock, or anything of that sort, the fact of the matter is that the construction is in Canada, wholly within the jurisdiction of our country, and is subject to the legislative enactment not only of the government of Canada but of the provinces through which it passes. That in itself is the real essential of control.

Then he goes on to speak about the benefits of foreign capital in Canada.

Mr. Martin: The opposition is frostbitten.

Mr. Philpott: The reason why the Prime Minister of Canada, great statesman that he is, the greatest—

Some hon. Members: Hear, hear.

Mr. Philpott: —the greatest statesman that this country has yet had, will not agree to the request of federal opposition for an election now is that he knows if he did there would not be six federal Conservatives elected between the Ottawa river and the Pacific coast.

Mr. Rowe: Mr. Chairman, this is a unique occasion in the life of this parliament. This is an issue that deeply concerns the people of Canada. As evidence of that it seems very few have noticed before that the galleries are so full some ladies have been standing and hundreds have been turned away from the door as is the case on budget night. Why all this excitement? Because, Mr. Chairman, there is no one who has been long enough in this parliament to witness a spectacle such as we have seen yesterday and today. No one has sat here long enough. These little junior squeakers at the back have no idea of the importance of parliamentary freedom and responsible government. Never in the history of this government, and I will venture to say never in the history of any democratic government, have we seen a resolution moved—

An hon. Member: A revolution?

Mr. Rowe: —and closure put on at the same time. You could not even start a revolution. You never even drew up a resolution, let alone talk about a revolution.

After having mentioned this proposed resolution in the speech from the throne, it has lain hidden in the dusty alcoves of this old smug, complacent government all this time. Then, Mr. Chairman, it is brought out and presented in a hasty climax by that old man in a hurry to wind up what has been going on for five slow years in records filled with secrecy, mystery, changes, misrepresentation and uncertainty. Talk about private enterprise—

Mr. Pickersgill: Talk about an anti-climax.

Mr. Rowe: You have been an anti-climax to more of your own climaxes than anybody else.

Northern Ontario Pipe Line Corporation

Mr. Chairman, this is neither private enterprise nor public ownership. It is a nondescript, mongrel amalgamation of the two. It is private enterprise for United States interests with nothing left for private enterprise in Canada except public ownership as everyone knows, because the minister told us that yesterday. It is private ownership controlled by United States interests and the only alternative left in the resolution is that when it now looks almost impossible for trans-Canada to complete it you propose to have public ownership next year. You have already stifled every private enterprise in Canada concerning this project and you have offered bonuses to United States enterprise.

You ridiculed the group to my left as being champions of public ownership when we in the Conservative party have been the real champions of private enterprise since confederation. The Minister of Trade and Commerce laughs and the Prime Minister says nothing.

Mr. Howe (Port Arthur): Why are you linked with the C.C.F. tonight?

Mr. Rowe: We are not linked because we are both opposing you. There are many people in Canada who are opposing you tonight who are interested in Canada. We are interested in the people of Canada. That is why you and your silent, acquiescing Prime Minister are afraid to go to the country. That is why the Prime Minister is afraid to rise and speak in this issue because he has already said that this is the worst proposal of the three.

Mr. St. Laurent (Quebec East): I would rather be silent than speak like you are doing now.

Mr. Rowe: The Prime Minister has already said that this proposal is the worst of the three. No wonder he does not speak.

An hon. Member: He does not dare.

Mr. Rowe: The Minister of Agriculture can talk about the Saskatchewan river dam out in Saskatchewan at the next election. These great Liberal champions of private enterprise have stifled Canadian private enterprise and squelched the offers of every Canadian company which has ventured an offer. The Minister of Citizenship and Immigration says that we are the Canadian babies. He is the last one who should speak about that. He looks more like a baby than anyone else I see in the house. The Canadian baby who did propose this was the only Canadian who built a line in Canada for $153 million.

Yes, Mr. Chairman, someone said we have had 20 years of one-party government. How long, oh Lord, how long are we going to be confronted with a one-man party government in the future?

Mr. Howe (Port Arthur): It did not take you long to put one government out of business.

Mr. Rowe: What was that?

Mr. Howe (Port Arthur): It did not take you long to put a government out of office, the one of which you were a member. How long were you a member there?

An hon. Member: Six weeks.

Mr. Howe (Port Arthur): Six weeks?

Mr. Rowe: I do not mind telling you that I do not have to apologize for that government. We had a leader at that time who has been chided for introducing closure. The Minister of Citizenship and Immigration asked me to mention that tonight. When I sat here in 1932 from February 26 to March 23, your cohorts, the men who are not now associated with you because you were leaning toward being Conservative at that time—all the men you were not associated with at that time made the rafters ring in this house. I remember the Right Hon. Mackenzie King as prime minister walking out in front of the house and saying that the parliament of Canada had lost its supremacy and he almost shed crocodile tears. He talked about his dear old grandfather and how he had fought for Canada.

He said all this because the matter had been debated from February 26 to March 23. You great champions of the unemployed and the poor were voting against giving relief to the unemployed and the farm relief which was necessary because you lost every market during the time you were in power.

The only other time closure was put on was in an important session back in 1912 when Sir Robert Borden was trying to give Great Britain three dreadnoughts in her dire time of need as she was preparing for the first world war. Every Liberal henchman in this country for four solid months from December until April 5 sought to defeat doing this. They sat up at night, Mr. Chairman, and the Clerk told me at that time he thought he was going to collapse because he had to sit here day and night while discussion on that naval bill went on. In other words, the Liberals at that time said they were not going to send any dreadnoughts to old England and Sir Robert Borden finally put closure on. Compare these instances, Mr. Chairman. Why have you put closure on? You have put it on to force the Canadian taxpayers behind the dirty shrouds of closure to pay a bonus to United States interests which will help them control one of our most vital natural resources. How can the

government compare those two examples of closure?

You talk about haste. In 1951 you told us there was an incorporated company going to build the pipe line in three years in Canada. For three years all that took place was a courtship between the two and finally you made it a shotgun marriage. Then they came back to you and said, "Mr. Howe, we are married now but we cannot get along without a little bit of help and a line is difficult to put through your country around Fort William in that rocky part of the nation. That is the hardest section of the line. Will you give us some help?" And the Minister of Trade and Commerce said, "Yes, we will give you some help," and so he arranged for $130 million. After he arranged for that they came back and said, "Now that you have given us $130 million, will you let us use $80 million of it to build the softest part of the line?" So you bonused them to build the hardest part and let them use the same money for the softest part, and if they build the softest part, you will have to introduce closure again to get some more money for them to build the hardest part. What an unholy mess this has become. As has been mentioned, the taxpayers of Canada are being victimized and the crown company which has been organized will be disabled by this very move.

The Minister of Trade and Commerce says this company had great foresight. Yes, it had great foresight. It ordered 180 miles of 34-inch pipe. I believe he said it was ordered from the National Tube Company of McKeesport, Pennsylvania. They ordered it, however, on the condition that the federal power commission in Washington would accept delivery of the gas. As the minister said yesterday they had to know what they were going to get before they were going to deliver it. Now he says there is a change and they have ordered 600 miles of pipe. How did that come about? That is not what I call foresight.

Mr. Howe (Port Arthur): This is the greatest piece of fiction we have heard tonight.

Mr. Rowe: This so-called foresight—

Mr. Howe (Port Arthur): There is not a word of truth in what you are saying.

Mr. Rowe: Well, Mr. Chairman, I am not going to listen to any lectures on truth from a man whom we have heard misrepresent the facts more frequently than any hon. member during the session. Mr. Chairman, they ordered the pipe because the Canadian taxpayers were going to have to pay for it, and the government is hiding behind closure in order to force the issue. I can well understand why the Prime Minister gives his silent acquiescence. He has already told them what he thought about it. He said that of the three propositions it was the worst one. Eighty-three per cent of the control is in the hands of United States interests. Ninety per cent of the cost is to be paid for by the taxpayers of Canada. The taxpayers of Canada are paying for 83 per cent of the dividends and profits which go to United States interests.

We were told that a government agency might interfere with the federal power commission accepting gas. Now we have a government agency established to build the hardest part of the line and there is a 90 per cent mortgage on the whole thing.

An hon. Member: Why don't you tell the truth?

Mr. Rowe: If this was not such a tragedy it would be ridiculous enough to be amusing. We were told tonight by one of the ministers that this is the greatest national project which has ever been put before this House of Commons.

An hon. Member: It is.

Mr. Rowe: It is so important that the government does not want anyone to speak about it. The government is afraid to send it to the committee on railways, canals and telegraph lines, as was suggested by the Leader of the Opposition. The Prime Minister seems to be afraid to speak about it. The Minister of Trade and Commerce is afraid to let the rest of us speak about it and the Liberal party is afraid to go to the country. I challenge you. You are afraid to let the people answer. You cannot put closure on the people because they will defeat you.

Mr. Hees: That a boy!

Mr. Rowe: The Prime Minister is ashamed to speak about it. Closure was brought in, Mr. Chairman, because the date was fixed at Washington. The date was fixed by United States interests and we in parliament were told not to talk in order to please our friends. I am reminded of the old days when we were told that we must not provoke the United States. Our party has stuck solidly to its traditional policies. I am not concerned about those little henchmen or the ridiculous gibes from the front benches or the backbenchers. Down in the province of Quebec we have seen how you and the Social Credit are married in that province and are running a honeymoon up here. I am not a bit concerned about this.

If there ever has been a time in the history of this country when a man was more

maligned and more misrepresented than the Leader of the Opposition it is—

Some hon. Members: Oh, oh.

Mr. Rowe: You cheap propagandists have gone out and misrepresented him and said he was not in favour of developing our resources when our party brought more United States capital into Canada than your party has ever done. It was the Canada first policy of R. B. Bennett in 1930 that brought plants from England and the United States to this country. My little friend from Manitoba does not understand, as he has not been here long enough. That is what has happened down through the days of Macdonald, Borden, Bennett, and now—

An hon. Member: Drew.

Mr. Rowe: Drew in the province of Ontario. You gentlemen laugh but you do not understand it. I know the young hon. member has not been in the house long enough but he applauds when he does not know what he is applauding about. That capital was brought to the province of Ontario, some of it to his own district. The Leader of the Opposition encouraged $200 million of United States capital to come in here by his policy of development, not for Americans but for Canadians.

I am not disturbed by the empty laughs of those who know no better; I am not disturbed by the gibes of the backbenchers who have made a custom of it. Those are the facts that history has recorded.

Mr. Benidickson: Where did the dividends go?

Mr. Rowe: They did not go to the United States of America as they are going to do in this instance.

An hon. Member: That is strike two for you, Benidickson.

Mr. Rowe: We are told that this is another declaration of Canadian independence. Oh, dear, surely that should have been corrected in *Hansard*. Why did not the Minister of Agriculture correct that and call it Canadian interdependence?

Mr. Gardiner: I was not the Leader of the Opposition.

Mr. Rowe: The government has now presented in a hasty, reckless, haphazard form a resolution which has been hidden for four months by a government which has refused to answer questions. Yesterday we were prohibited from asking questions. Now they bring out a resolution which is dusty and moth-eaten. The hon. member for Vancouver South said it was a moth-eaten horse. I know enough about horses that he has ridden more political horses than anybody in this country.

Now we are told we are to have closure, the guillotine is going to be applied, the axe is to be swung by the Liberal government. Are these the people who bow at the shrine of Laurier? Is that the attitude taken by the Right Hon. Mackenzie King? Where are you now? Those are the men who fought for the supremacy of parliament. They would turn in their graves if they knew what was happening. What would the great Laurier say? What would the great Mackenzie King say? They were great men.

They are no more silent tonight, as they sleep in peace I hope, than the Prime Minister has been since the session started. This is an issue that concerns the rights and hopes of our people, in this country. This country is filled with resources of oil, iron and everything that makes a country great and rich. I urge the Prime Minister to rise and shuffle out from that smug complacency that prompts this government to do nothing about anything. I urge the Prime Minister to speak before one o'clock because he knows the country is interested. These things belong to the people of Canada. If you do not think that we are presenting this in sincerity I ask you to rise and tell us why you are silent. I know you are not afraid to speak; I know you can speak; I know you are not too old to grasp the problem. You may be afraid to go to the country but I know you are not afraid to rise in parliament.

If the Minister of Trade and Commerce is afraid to have an open debate on this and let us talk more than 20 minutes, and if you are afraid to speak, then get the cabinet together and call an election tomorrow and let the people speak. You can gag, as you have done tonight, and guillotine your opposition—

The Deputy Chairman: I think I must remind the hon. member that he should address his remarks to the chair.

Mr. Rowe: Mr. Chairman, I certainly hope that I have not reflected upon your able chairmanship. The government has gagged the people's representatives in the opposition but they cannot gag the voter at the ballot box. I urge them to trust them. I remember the words of the late Right Hon. Mackenzie King who said that we should trust the people. He said, "We trust the people, we are the champions of the supremacy of parliament." You are afraid to do either. So I urge you now, if you are afraid to debate it in parliament, go to the country. It is a nice time of year. If you are as powerful as you think you are, as you boast here that you are, and as you have been boasting for the last four

years, go out and face the people. You will be defeated just as surely as any other government was defeated that imposed closure so clumsily without giving parliament a chance to express itself.

I believe that my time has expired and rather than have you call me to time I will conclude my remarks.

Mr. Byrne: Mr. Chairman, I do not propose to match my lungs against those of the hon. member for Dufferin-Simcoe, nor do I intend to match my lungs against the noise in the chamber. I shall hesitate when that is required. Hon. members of the Conservative party have said that this filibuster began only an hour before this motion was moved. Filibuster on pipe lines began in this house in 1949 and it was begun by members of the Conservative opposition. Never since that time has actual common sense been spoken when gas transmission has been discussed except on occasions when hon. members such as the hon. member for Calgary South or hon. members on this side of the house have spoken, particularly the right hon. Minister of Trade and Commerce.

When the filibuster began as it did in 1949 the chosen instrument for gas transmission at that time—it was the chosen instrument of the Conservative opposition—was Westcoast Transmission. What has been the result? An hon. member says "rubbish". I can quote speaker after speaker from *Hansard* saying that the Westcoast Transmission Company Limited has been the only company prepared to build the pipe line entirely in Canada. It was an uneconomic route, but, nothwithstanding that, it was a company that at all times was prepared to build an all-Canadian line.

That was the story of the official opposition. Nevertheless the actual facts were that two or three of the companies applied for charters, and at least two received charters, who were prepared to do basically the same thing, but they were prepared to build a pipe line to British Columbia where it would serve the people of British Columbia. The present pipe line has been brought to fruition because of this silly outlook with respect to the transmission of natural gas. Half of the consumption of gas in British Columbia will be lost. The east and west Kootenays in British Columbia would have consumed as much natural gas as the greater Vancouver area. Those were facts brought out in committee.

Nevertheless, a gas line is going to the west coast and, as the hon. member for Vancouver South has shown here tonight, the gas bills for those people will be cut in half. The gas bills for those people would have been cut another 20 per cent if the gas line had followed an economic route. Certainly the gas bills and the fuel bills of the people of Trail, Kimberley and the Crowsnest area would have been equally well served. However, that became the basic policy for all parties, and the Westcoast Transmission Company received its charter on the basis that it was going to serve all-Canadian consumers first. But the result is that natural gas will go to the west coast and serve a small number of consumers, and about 90 per cent of the gas will be exported to the United States. This is against the policy of the all-Canadian consumers being served first.

As I have said, that was the chosen instrument of the Conservative party, and that was the policy which was to be undertaken by the president of Westcoast Transmission. Now what do we find? This great exponent of the policy of serving Canadian consumers first, last and foremost comes out with a proposal to transport natural gas to eastern Canada when it has already been shown that another company has the plans ready, the supplies at hand and the sale spoken for. But, as has been shown, unless a large proportion of that natural gas is sold in the United States, they are not able to finance it at the moment.

Mr. McMahon, president of Westcoast Transmission and the new proponent of a gas line to eastern Canada, makes a proposal and promises us in a confidential letter that he will personally post with the government $500,000 cash to complete the project by 1958, subject only to being able to obtain the necessary materials. You might note that he was not too sure of being able to obtain the materials, although he had said in other letters that he would obtain them. Half a million dollars is not a very great deal of money to this gentleman, as many of you may know. But what is the crux of the plan that this great exponent of the policy of serving Canadian users first proposes? A volume of 400 million cubic feet is to be exported into the United States, four-fifths of the total amount of natural gas that the provincial government of Alberta has authorized for export. If that is the understanding on which Mr. McMahon was prepared to go ahead, is is any wonder that he has been asked to pay up or shut up? It seems to me that that is what should have been done with a person who has made such a spurious offer.

Mr. Fleming: Has the hon. member ever heard the Minister of Trade and Commerce say that was a spurious offer?

Mr. Byrne: I certainly heard the Minister of Trade and Commerce say that it was not, in his opinion, a firm offer.

Northern Ontario Pipe Line Corporation

Mr. Fleming: But has the hon. member ever heard the Minister of Trade and Commerce say the offer was a spurious offer?

Mr. Byrne: I have said that this project proposed by Mr. McMahon would export four-fifths of the entire amount of gas that has been permitted for export from the province of Alberta. Now what has become of the policy of Canadians being served first and foremost?

There has been a great deal of discussion regarding the control of the companies, and comparisons have been made between the McMahon offer and that of the Trans-Canada Pipe Lines Limited. At least Trans-Canada Pipe Lines are proposing to move natural gas to eastern Canada. The McMahon proposal is to move gas to the United States. It may be true that with Trans-Canada more of the incidental profits will be paid to the bondholders in the United States, but in the other case much of the profit again will accrue to bondholders in the United States but there will be no gas in eastern Canada. We certainly may have control in Canada, but no gas. I should estimate that the great International Nickel Company in its smelters would use almost half of the amount of natural gas that would be left for consumption in eastern Canada should this proposal have been accepted.

That is not all. The proponents of Canada first at all costs, that is, mainly the official opposition, have said at all times that the main line must be built entirely within Canada. We have had bills passed here day after day, week after week, with the same silly argument being put forward. When a gathering company was being incorporated and gas or oil were being brought to one central location for transportation to a given area the official opposition have always insisted that the main line of the gathering system be built entirely within Canada to connect with the main transmission line regardless of whether it meant that the gathering line would be 100 or 200 miles longer. The principle is there.

What does Mr. McMahon propose in this case? Mr. McMahon finds that there are some basic faults in Trans-Canada's plan, and the third one is the following:

> The Trans-Canada plan contemplates the sale of gas to Tennessee Gas Transmission Company and a subsidiary at Emerson, Manitoba, and Niagara Falls, Ontario. Gas sold at Emerson would be used by the Tennessee Company in the great plains-midwest area of the United States to invade the duly franchised market areas of the present pipe line companies . . .

Isn't that just too bad? It is going to interfere with some of his friends. But that is not all. I want to point out that the official opposition are supporting this proposal as the only alternative to the Trans-Canada Pipe Lines Company. Mr. McMahon proposes to build a 34-inch pipe line to Winnipeg and a 30-inch pipe line from Winnipeg to eastern Canada. Where is the main line being built? Four-fifths of the natural gas is, according to his plan, to be sold in the United States and 100 million cubic feet per day is to go to eastern Canada in a smaller pipe. It would be very interesting to hear from the hon. member for Vancouver-Quadra who has always felt that this principle must be maintained at all costs. I am waiting anxiously to hear what he has to say about this matter.

I should like to say one word about the question of closure. I have said earlier that this pipe line filibuster began in 1949. We went through it in the session of 1949 and the session of 1950. Two gas company charters were refused because of filibusters and the whole gas line policy of Canada was confused. The newspapers carried articles as long as four months ago indicating that the official opposition had stated they were going to filibuster this pipe line measure. One of their members even said that it would be an example of eternity, and certainly the members of the C.C.F. party have made similar statements. We are facing a position in which the minority are attempting to obstruct parliamentary procedure.

Mr. Fleming: That is what you said last year.

Mr. Byrne: This is a very important matter and it has been shown that unless the financing can be assured by the end of this month the pipe line policy will be further confused and will be for another two years. It is my opinion that we should pass the legislation and get on with the job that we were sent here to do.

Mr. Green: Mr. Chairman, on one thing I am sure we can all agree this evening and that is that we have had a very interesting and exciting day. Perhaps if the House of Commons had days like this more frequently we would be far more popular with the general public in the galleries than we have been in the past. However, I should like to speak very seriously tonight on some features of the debate on the question before the house.

The first is that within a little over an hour the axe will fall and debate will be stopped on this stage of the measure. That action is unprecedented in the parliamentary history of Canada, and I am sure that when members on the other side of the house have the opportunity to think over what has been done in the last two days they will realize that a very

grievous blow has been struck at our institution of parliamentary government in this nation. The Prime Minister has not been in public life for many years. He has never been, and I say this in all kindness, a House of Commons man, and I do not believe he realizes tonight the serious implications of the step he has allowed his senior minister to force on him in moving closure, not after there had been an extensive debate, but at the end of the very first speech when the minister introduced this particular measure.

The Prime Minister obviously has condoned that step and he must accept the primary responsibility before the Canadian people and in the history of Canada for what he has allowed to be done in this debate. Closure is particularly atrocious under these circumstances when we remember that in the speech from the throne on January 10 this pipe line measure was announced and it was understood then that it would be the main question before the house during this session. The resolution preceding the legislation appeared first on February 3, but debate was not brought on until March 15 and then it was cut off after one day. An amended resolution was brought in, came up for debate yesterday for the first time and the Minister of Trade and Commerce moved closure. I think that action can be fairly summed up in these words, that Liberalism as exemplified in the House of Commons in May of 1956 is synonymous with contempt of parliament.

Some hon. Members: Hear, hear.

Mr. Green: Let me analyse the resolution which is under debate. It precedes a measure to set up a crown corporation to be known as Northern Ontario Pipe Line Crown Corporation which will have the power to construct a gas pipe line from the Ontario-Manitoba border 675 miles east to Kapuskasing. The corporation is to have the power to lease that pipe line, with an option to purchase, to this chosen instrument of the government, Trans-Canada Pipe Lines Limited. In addition, the corporation is now to be given the power to lend to this same company for a line from the Alberta-Saskatchewan border 575 miles east to the vicinity of Winnipeg a sum not exceeding $80 million or 90 per cent of the cost. The aggregate for all this work is to be not over $130 million.

I point out that the original resolution referred only to the northern Ontario line and it contained the same figure, $130 million. The cost was estimated to be $118 million, of which Ontario was to put up $35 million leaving $83 million for the dominion. If $80 million of that $130 million is now to go into the western line it is obvious that unless and until that sum is repaid there will not be enough money to build the northern Ontario line. That line will just have to wait in the meantime. The resolution is very misleading because it should contain a figure of $210 million rather than a figure of $130 million. Remember this, Mr. Chairman. Under the government's proposal no share whatever of the profits, either of the western line or the northern line, is to go to Canada.

Then we must consider too the agreement made a week ago, on May 8. It gives further details of this proposal. Trans-Canada Pipe Lines Limited is to repay on or before April 2, 1957. That means the company will have a further extension until April 2, 1957 to prove financial ability. Already within the last few weeks the government has extended the time for that to November 1, 1956. It means, of course, delay in the northern Ontario line, delay in the line from Winnipeg to the Ontario border and delay in the line in southern Ontario and into the province of Quebec.

Now I point out four important features which I suggest should be considered by hon. members and by the Canadian people. The first is that the government went to this chosen instrument hat in hand, an amazing thing for the government to do. On May 8, as reported at page 3664 of *Hansard*, the minister said this:

> I emphasize that the approach came from the government, not Trans-Canada. Trans-Canada was not in default.

Actually Trans-Canada was in default and badly so. I need only remind you, Mr. Chairman, that on September 15 of last year the minister's representative, Mr. Sharp, appeared before the board of transport commissioners in support of an application the company was then making for an extension of time. The newspaper dispatch reads as follows:

> Sharp said Trans-Canada and its bankers have given the federal government assurance that it will be able to build the balance of the pipe line.

That is with the government completing the northern Ontario section.

> "The government of Canada is proceeding on the assumption that Trans-Canada now will be able to accomplish this objective and that construction will commence in 1956 and be completed in 1957," Sharp said.

In the agreement itself between the government and Trans-Canada dated November 21 of last year, we find this clause:

> And whereas Trans-Canada proposes to arrange for financing of all its costs and commitments in connection with the said program of construction prior to May 1, 1956; . . .

What is happening is this. The government keeps bailing them out. If there is default on April 2, 1957, I believe the government

will again step in and bail out this company. When the minister spoke yesterday he was very careful to point out that the government is not obliged to take over the Western pipe line next year if there is default. He made it clear that while that power is taken, it does not have to be exercised. So I repeat this first feature is that the government has gone to this company hat in hand. What possible chance is there of Canada getting a good deal under those circumstances?

Then the second feature is this. These American companies are in the saddle, particularly the Tennessee Gas Transmission Company. Make no mistake about it, this plan that is being forced on the House of Commons is a Tennessee Gas plan. The minister has never denied that fact. What have they done? They have just refused to put up the money for the western section. On March 28 of this year they were told by the board of transport commissioners to go out and raise the money to build that section. I have here the judgment. It contains this paragraph:

> The board has suggested to the applicant that the latter might further pursue the possibility of raising the necessary capital through private sources to permit of the immediate construction of this part of the line, the cost of which it is estimated would amount to between $70 million and $75 million.

On April 12 a newspaper dispatch indicated that it was expected that this company would be advancing the money to build the western section of the line. Remember this, Mr. Chairman. These are wealthy companies. When the Tennessee Gas company came into the picture last fall, we were told that it was a pipe line giant. A dispatch then said this:

> The $826 million Tennessee Gas Transmission Company, which operates the world's largest natural gas transmission network in the United States, is to be a full partner in the Trans-Canada Pipe Lines Limited line . . .

But they are not doing any gambling. They can get out of this deal next spring with very little loss. Tennessee Gas is not on any covenant to repay the government loan. The covenant is with the government's own chosen instrument, namely Trans-Canada Pipe Lines Limited. The government is going to pay $80 million and these promoters only have to pay between $8 million and $9 million.

Just three or four days ago the counsel for Trans-Canada Pipe Lines Limited went before the board of transport commissioners. What did he say? According to this newspaper clipping this is what he said:

> Trans-Canada's counsel, Ross Tolmie, said the government's agreement to provide the $80 million will be used as evidence of financial ability to build the link.

[Mr. Green.]

Then in the third place, Trans-Canada will not be moving to complete the line—that is into eastern Canada and to Montreal—unless and until the federal power commission gives a permit to export gas to the United States. Throughout, from the beginning and right to the bitter end, so long as this Trans-Canada Pipe Lines Limited is the company involved, the government's plan for a completed pipe line from Alberta to Montreal has depended and will depend on this permission from the federal power commission of the United States, a body set up in a foreign country to protect the interests of that country. The Minister of Trade and Commerce made the position clear when he spoke on May 8. As reported at page 3663 of *Hansard* he said this:

> In spite of their best endeavours, however—

He was referring to Trans-Canada Pipe Lines.

> —they have not been able to obtain guarantees that the money necessary to finance either the whole of the line, apart from the northern Ontario section, or the western section, would be forthcoming in advance of approval by the federal power commission of their contract for the sale of gas into the United States.

Then, when speaking yesterday, he again made the position clear when he said this, as reported at page 3861 of *Hansard*:

> However, there has been and there is no end clearly in sight.

He was referring to the granting of a permit by the federal power commission.

The company has made no agreement to complete the whole line without a permit from the federal power commission. There is no explanation by the Minister of Trade and Commerce of the effect on the over-all plan if the federal power commission fails to give approval. He is delightfully vague when it comes to telling the house and the people just what is to be done if the federal power commission fails to grant a permit for import into the United States.

Finally, Mr. Chairman, control of the Trans-Canada Pipe Lines remains in the head offices of these American companies, and primarily, of course, in the head office of Tennessee Gas. No real attempt has been made by the government to ensure Canadian control. When they were renegotiating or when they were making this contract which was signed a week ago today, one would have thought that they would have included some provision which would have made it certain that there would be absolute Canadian control of Trans-Canada Pipe Lines. But there is nothing of that kind in the agreement. The minister himself has intimated he considered it hopeless; that there was no use trying to get terms of that kind

included. No matter how the minister twists and turns he cannot get away from the fact, and none of his supporters can get away from the fact, that this Trans-Canada Pipe Lines Limited is and will be dominated by United States oil and pipe line companies, and that the Canadian government is subsidizing them in the construction of a major national project at the expense of the Canadian taxpayer.

I conclude my remarks by this statement, and I make it after careful consideration. I believe that this measure now proposed by the government is the greatest betrayal of the Canadian people since confederation.

Mr. Decore: Mr. Chairman, I rise to take part in this debate and being a member from Alberta I am vitally concerned with the issue which is before us now. We have had occasion tonight to listen to the Minister of Mines and Technical Surveys as well as the hon. member for Peace River, the Leader of the Social Credit party, and both of these gentlemen are Albertans. So far as Alberta is concerned, they have placed before you the hard facts of the urgent need for the export of gas from that province as soon as possible. Figures have been quoted, and I do not intend to repeat them now, but the fact is that Alberta sustains a loss every day because of the wastage of gas resulting from the lack of export. At the same time this lack hampers our industrial development.

There are many producers in the province of Alberta. We have individuals; we have small companies and larger companies; we have syndicates. We have Canadian companies and we have United States companies. But by far the greatest producers in Alberta are the people of that province. They are the ones who have the greatest stake in this issue. This debate so far has been very interesting and very hot at times. I feel it is the duty of the opposition not only to criticize, but if necessary to oppose government policy. But that is not enough. It is also their duty to offer not only an alternative but a better alternative.

What has happened on this issue? The hon. member for Eglinton has suggested that the Liberals and Social Crediters have formed an alliance. What about this strange alliance that has taken place in this house? We note that the free enterprising Tories and the socialist C.C.F.'ers have got together. We have heard of the grand alliance. We have heard of the holy alliance, but it seems to me that this is the most unholy alliance we have yet witnessed in this house. At least the C.C.F., though I disagree with what they have to offer, have come out with a policy which is consistent, that is of public ownership. I still would like to know what alternative the Tories have to ensure that, in the face of the facts before us, at least the prairie section of this pipe line will be commenced and completed this year. It appears clear to all of us that the only alternative they have to offer is delay, not only to embarrass the government but in my opinion to embarrass the people of Alberta.

Furthermore from the consumer point of view, Premier Frost has indicated the importance of getting gas into Ontario as soon as possible. Yesterday we had occasion to listen to the Leader of the Opposition who spoke for about two and a half hours but who has not given this house any alternative, nor has he mentioned one word regarding the stand taken by Premier Frost on this matter. After all the leader of the official opposition was at one time the premier of Ontario and certainly he must have the welfare of the people of Ontario at heart. But as one who aspires to become the Prime Minister of Canada, I think he should also have the welfare of the people of Alberta at heart. It is essential to Albertans that we have the export of gas as soon as possible.

Much has been said in this house, especially by the C.C.F. group, in favour of public ownership. The Leader of the C.C.F. party has challenged this government to call an election. I doubt if the Canadian people, in a matter of a few weeks, would change their views and come out in favour of public ownership. They have rejected it before, and certainly they would reject it now. I should like to quote the views of one authority on this matter of public ownership. He says:

> If the governments attempted to operate the line themselves they would face considerable difficulties. In the first place governments have no experience in gas pipe line operation and they would have to employ experienced operators, without being able to give them the incentive of ownership or part ownership of the line. Secondly, the governments would be in the position of having to balance the consumer and producer interests and there might be a division of opinion between the governments of gas-producing and gas-consuming provinces.

We have heard the hon. member for Peace River express his view and he has pointed out the difficulties in this respect.

> There are few objective standards by which it could be determined whether the producers were getting too much or too little for their gas on the one hand, or whether the consumers were paying too much or too little on the other.
>
> Even if the governments rented the line or turned over its management to some private organization, so long as they owned the line they could hardly escape some responsibility for the policies of the private organization. Therefore, any such arrangement with a private organization would probably only be satisfactory in the short run.

Northern Ontario Pipe Line Corporation

This quotation is taken from a report to the treasurer of Ontario by Clarkson, Gordon and Company and known as the Glassco report. It seems to me that the essentials of a sound natural gas policy are, first of all, that the main pipe line run all the way through Canadian territory. To this policy, this government is dedicated. Secondly, in allocating gas, priority must be given to the needs of the Canadian consumer, whether it be for industrial or domestic use. The export of the gas must take second place, and again in this respect the government is dedicated to this policy.

The third essential is that it must be under effective Canadian control, and again in this respect the government is dedicated to this policy.

Some reference has been made to the building of the Canadian Pacific Railway company and to some of the statements made by Sir John A. Macdonald. Of course, all Canadians have great admiration for Sir John A. Macdonald, but was it not necessary to give land grants to encourage the Canadian Pacific Railway to build?

Mr. Fleming: Yes, and they kept it Canadian.

Mr. Decore: With regard to effective Canadian control I would like to draw to the attention of the house a statement which appeared in the *Financial Post Corporation Service*, page 10, card dated September 23, 1955. It reveals that as of December, 1954, the combined stocks or the voting strength of shareholders of the Canadian Pacific Railway by countries was as follows: At that time Canada had 12·20 per cent; the United Kingdom and other British countries, 46·31 per cent; the United States—and note this—had 33·38 per cent or nearly three times as much as that of Canada; and other countries, 8·11 per cent.

I think these are very interesting figures. They show that the voting strength of the combined stocks held by Canadians was only 12·20 per cent; yet did this mean that the Canadian Pacific Railway company is not being effectively controlled by the people of Canada? Does it make the Canadian Pacific Railway company less Canadian than it should be? We Canadians feel that we can make sacrifices and I think we should be prepared to make them, to assure that this is an all-Canadian pipe line. Surely we could have taken the easy way out and allowed this pipe line to go south of the great lakes rather than north of them. In that event we would not have been called upon either to build the line ourselves through public ownership or to adopt the stand we now adopt. I say, let us be realistic.

[Mr. Decore.]

I do not think there is an hon. member in this house, including the Minister of Trade and Commerce, who feels the trans-Canada pipe line project is completely ideal; but as the Edmonton *Journal* of May 10, 1956, put it:

> Of all the schemes proposed for distributing Alberta natural gas, the trans-Canada pipe line project seems, in balance, the best. It is to be hoped that parliament will ratify it without undue delay, so that construction may commence this year.

I have read just the last paragraph of that editorial.

Much has been said during the course of this debate with reference to closure. The fact remains that before the Minister of Trade and Commerce even had a chance to speak to this resolution we had to undergo seven votes in this house. I think the opposition gave their notice of intention concerning what course they wished to follow; in other words, they asked for it.

When the hon. member for Winnipeg North Centre spoke tonight about the freedom of debate I think we witnessed a bad example in his attempt to prevent the hon. member for Bow River having his 20 minutes which is allotted by the house. I think, Mr. Chairman, this is a fine example of a closure within a closure.

Mr. Knowles: Mr. Chairman, on a point of order, I did not try to detract from the 20 minutes of the hon. member for Bow River. I just did not want the time he caused the house to spend on the point of order to be taken from the rest of us, including my hon. friend from Vegreville.

Mr. Decore: Mr. Chairman, the fact remains that nearly 20 minutes was taken by that argument, and the hon. member for Winnipeg North Centre did get up and say that time should be counted within the 20 minutes.

Mr. Knowles: Who was responsible for it?

Mr. Decore: In other words, you tried to prevent the hon. member from expressing his views within the 20 minutes allotted to him.

Mr. Fleming: Nonsense. The rules of the house have to be upheld.

Mr. Decore: Of course the same thing can be said with regard to what happened this afternoon when the Conservatives made an attempt to prevent the hon. member for Calgary South from speaking.

Mr. Fleming: Mr. Chairman, the hon. member has made a statement which he must know is entirely untrue. There was no attempt made to stop any hon. member from speaking this afternoon. The time taken by the member for Calgary South was provided

by the Liberal party out of the time allotted to it in debate and was not taken out of the Conservative opposition's time. It was all done by the Liberal whip.

Mr. Castleden: Mr. Chairman, I think May 15 will be remembered as the date on which we witnessed democracy reach its lowest ebb in Canada since confederation.

Mr. Hamilton (York West): It is the 16th.

Mr. Castleden: It will be a sad day only if it is forgotten. Today we witnessed the denial of the rights of the representatives of between one-third and one-half of the Canadian people to speak in parliament. Seldom in Canadian history has there been such a betrayal of Canadian rights and Canadian interests and never has democracy in this Canada of ours been so brutally set aside to perpetrate that betrayal.

Forty-five years ago the Canadian government, dealing with a matter of reciprocity between this country and the United States, after debate in this house took that question to the highest court of the Canadian people in the land, and therefore they voted as to whether or not Canada should carry on trade with the United States, whether there should be restrictions and a cutting down of tariffs for both countries to permit the free trade of goods. At that time the government believed the proper thing to do was to let the Canadian people decide the issue on those grounds.

Some 30 years ago the Liberal party applied closure in this house but it was only after there had been weeks of debate.

Yesterday we had notice given that closure was being applied in this house even before the resolution had been introduced by the minister who introduced it. What is this resolution? The Canadian people should know what this resolution contains. It calls for about five things. Under this resolution the Canadian government in co-operation with the Ontario government is building through a government corporation a pipe line from the Manitoba border to Kapuskasing which will cost the taxpayers about $113 million. After it is built it is to be handed over to the Trans-Canada Pipe Lines company with an option to buy it after a number of years. If it is a paying proposition, Trans-Canada Pipe Lines picks it up; if it is not, then the Canadian people can have it and pay for it.

On top of that, this resolution makes arrangements for the Canadian government to loan to Trans-Canada 90 per cent of the cost of constructing the pipe line from Alberta to a point near Winnipeg, a sum totalling between $70 and $80 million. There is a specific provision under the arrangement to be set up following the adoption of this resolution for a lead-off of 200 million cubic feet of natural gas per day from Manitoba at a point near Emerson. The corporation to be set up is to have the power to do such things.

In case the company defaults, the government is to take over the assets of Trans-Canada Pipe Lines Limited and operate the whole thing as a government enterprise. The government thus admits that there is a possibility that they may have to operate this as a crown corporation. In heaven's name, if they are building the eastern portion of the line and lending the company 90 per cent of the cost of building the western portion, they should take it over for the benefit of the Canadian people.

That is the indisputable argument which this government cannot escape. If Trans-Canada Pipe Lines wishes to build this line, then it should be allowed to operate it. If the government intends to build it and to provide the money for building it, then the government should operate it. This infamous resolution calls upon the Canadian people to lend the money to build it and then it is to be handed over lock, stock and barrel to United States interest.

The Minister of Trade and Commerce built the Polymer Corporation with Canadian money for the purpose of making artificial rubber during wartime. The government did not build the Polymer Corporation and then hand it over to the Canadian rubber companies. If they had done so the Canadian people would have objected. The Minister of Trade and Commerce did not build up a fine Trans-Canada Air Lines and then hand it over to Canadian Pacific Air Lines. The Canadian people would have objected strenuously if he had done so.

What do the Canadian people think of this proposition? We are going to practically build this line and then hand it over to United States interests, the big world oil combine boys from Texas who own and control such vast quantities of the world's supplies of oil. Canada is to help them out.

Who is this fine favoured friend called Trans-Canada Pipe Lines? I had hoped that the hon. member for Vegreville would have told us something about them in his introduction of the bill to establish Trans-Canada Pipe Lines Limited in 1951. At that time he told the house that this was to be an all-Canadian company, it was to build an all-Canadian pipe line and there would be 100 per cent consumption of gas by Canadian consumers. That was the commitment made to the house, that was the commitment made

to the committee which listened to the representatives who came here to tell us what a great company it was.

They brought in their men of money from New York who said that money would offer no difficulty at all. They had the engineers who had engineering know-how. They told us that there were difficulties and they told us how they could overcome them with their know-how. They had the money and all they wanted was the opportunity to provide this great service to Canadians. They assured the committee and they assured this parliament that they did not want to have anything to do with it unless it was to be an all-Canadian pipe line with all-Canadian consumption. That is a very vital point.

Something happened after they were granted their charter in 1951. This company fell under the control of a number of large United States oil and gas companies. A return tabled in the house a short time ago gave the details of the ownership of Trans-Canada Pipe Lines Limited. Some very revealing facts were given. Hudson Bay Oil and Gas Company Limited, part of a large United States company, holds 327,000 shares of stock. Canadian Gulf Oil Company of Calgary, Alberta, part of a parent company in the United States, owns 327,000 shares. Tennessee Gas Transmission Company of Houston, Texas, owns 327,000 shares of stock. Canadian Delhi Oil Company Limited of Calgary, part of a parent organization in the United States, owns 497,000 shares of stock. International Utilities Corporation, 44 Wall Street, New York, New York, owns 127,000 shares. Those are the blocks over 100,000 shares. N. E. Tanner, who I believe was formerly minister of natural resources in the Social Credit government of Alberta, holds two shares, and Sarah I. Tanner, Calgary, Alberta, owns 9,999 shares.

The thing I want to point out to this house and to the people of Canada is that when this company came under the control of United States oil companies every promise they made to the parliament of Canada was violated. They no longer said that this was to be an all-Canadian proposition. They said, "You get no gas in eastern Canada unless you arrange to have a lead-off in Manitoba to supply 200 million cubic feet of gas per day to the United States of America."

When they did that they violated their contract and their word to this parliament. They should have been repudiated at that point. But no, this company which had gold-bricked this parliament, which had deceived the Canadian people and their representatives in this house, instead of being repudiated were met with open hands and offered even more. What noble achievements has this company performed that it should be selected as the favourite son of the Canadian government to be granted these special privileges? What noble record of integrity and of honour has this company that it deserves such gifts? What foreign prince has come to our midst that we should take a natural resource of this country and hand it over? Why should a private corporation receive these gifts and have control over a great natural resource of this country?

I ask you to think carefully over what is going to be the ultimate result of the handing over of the control of our gas to this company. What is it going to mean? It will mean ultimately that the Canadian consumer of gas in eastern Canada will pay the price dictated by these people, while the United States consumer will get it at their price. Canadian gas will be sold to the Canadian people at a price which the United States people dictate. They will be able to give their own industry a favoured price. How can Canadian industry compete when the whole thing is stacked against them in that way?

We in Canada are asked to submit to this. This is being forced upon us. Excuses have been made. The stand of this party is quite clear. There is only one honourable thing to do and that is to operate this natural resource as a crown corporation so that any profits accruing shall not go down to the large gas and oil companies but will be paid back to the Canadian people. In heaven's name, by what right should a great natural resource of this country be handed over to foreign industrial, gas and oil magnates? Is there any excuse for it? How can this government excuse its actions in handing this over to United States private enterprise?

That is what we are being asked to do. Opposition members who dare to raise their voices in opposition are told that at one o'clock closure will be applied and whether or not we want to speak the resolution stage will be passed. No wonder we rise in protest. This company, which violated its promises to this parliament, which broke its word, is now handed some more privileges. It did not get its pipe line built in 1951 or 1952, and it did not get it started in 1953. It violated its contract. The Canadian government, through the board of transport commissioners, granted it an extension of time. When it lost its nationality and became a United States concern, further extensions were granted. It has not built one foot of pipe line in five years. The government says it has to apply closure to get this through because it has made a contract to get the money out to these American people by June 7. If we endorsed this, we would be betraying the trust of the Cana-

dian people. This is not only a betrayal; this is an insult to the Canadian people, and it is our duty to protest against it with everything we have.

On March 15, the ides of March, the Minister of Trade and Commerce brought in a resolution to this house proposing only the setting up of the crown corporation to build the eastern portion of this line. It created such a storm of protest that the government dared not bring the matter back into the house. From March 15 until the other day, nothing was heard about the Trans-Canada Pipe Lines. Now they have bunched together a proposition under which we shall build the eastern portion of the line together with the western portion of the line and they say, "Boys, get it through by June 7", when the caucus was called last Tuesday, and the committees of this house were called off in order that it could meet. Then they came back into this house. Apparently the Minister of Trade and Commerce had sold the cabinet a bill of goods and the cabinet told the members what could be done and that they had to toe the line to a man. I appeal to those members to think over their responsibility to the Canadian people.

They have sat here for 20 years with some of the largest majorities that the Canadian people ever gave to a government of Canada. Did the people who elected them say, "You can govern as you wish and give away the natural resources of Canada to a United States pipe line company. If you cannot get the bill through, apply closure." Is this the way you are to treat a democracy? It is colossal nerve. That is the only way in which we can describe the attitude of a government that would ask parliament to pass such a bill in the face of all the facts, a bill to pay for 96 per cent of the Canadian pipe line. To hand over control of a great asset, when you know you can operate it as a crown corporation, is nothing but an affront to the parliament of Canada. We would be traitors to Canada if we were silent. We would be traitors to the cause of democracy if we did not raise our voices in protest. We shall continue to raise them in protest throughout this whole debate.

Canadians for generations are being sold out today. What about the people of tomorrow? What about these great resources of western Canada and their value to the whole Canadian economy? What about the industries along this line that will be called upon from this day on to compete with United States industries? How can Canadian industry compete? This is a sell-out of Canadian interests such as Canada has never seen before.

That would be bad enough but, when the Prime Minister and his cabinet lay their oil-soaked hands on the altar of democracy and defile it by closing off the opposition, the people of Canada will remember. For the second time in 89 years of confederation, the banner of liberalism has been dirtied with the stain of dictatorship. Today we are witnessing a portion of democracy dying. Today this government is betraying those who sent them here in trust with our resources and in trust with the sacred Canadian democracy.

The Chairman: I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Thomas: If the gas that has been spread around here by the Tories and the C.C.F. were volatile, we would not need any importation into Ontario for the next ten years. Unfortunately, it is empty, it has no effect and no power.

A short time ago, when speaking, the hon. member for Vegreville said that he could not understand why the official opposition should join with the C.C.F. in this union. I think I can tell him why. The Tories have been looking around for a good long time, because of their lack of any basic policy, for something with which to jump on the government, and they thought this was it. In their blind groping, they found themselves attached to the dusty pink shirt-tails of the C.C.F. party, and they are stuck with it.

The hon. member for Dufferin-Simcoe was talking about marriages a few moments ago. I want to tell him that the results of this union at least are that it is going to bear fruit that will be for the benefit of all the people of Canada. I am glad that he admits we are young enough to have a honeymoon. At least we are not in the decrepit position of the official opposition. Whether they know it or not, they are in a rut, and the only difference between a rut and the grave is the dimensions.

The main reason why I am rising tonight arises out of a television broadcast seen on Monday night that was made by the hon. member for Rosetown-Biggar, in which he discussed this question. I have never seen a program more shot through with half-truths, misrepresentations and falsehoods. It is the type of thing that could produce disastrous results if the people of Canada were to pay any attention, and thank goodness they will not. In this broadcast, as well as on the floor of the house, the hon. member for Rosetown-Biggar said that this $80 million was a payment for the building of the trans-Canada pipe line section between

Edmonton and Winnipeg. He did not tell the people it was a loan at 5 per cent and that it would be repayable in nine months. He did not say either that 5 per cent interest on a $80 million loan was a very high return indeed; and it is a very good investment.

Mr. Wylie: I doubt if he could even figure that.

Mr. Thomas: He spoke too, as did the Leader of the Opposition, about 83·4 per cent of the capitalization belonging to United States concerns. That may be true at the moment but that has absolutely nothing to do with the final figures when the final capitalization has been put through.

An hon. Member: Then it may be 100 per cent.

Mr. Thomas: We have the assurance that 51 per cent of the stock will be made available to the Canadian people, and if the government is willing to accept the proposal put forward by the hon. member for Bow River this morning we will have absolute control of the stock in Canada.

Mr. Ellis: Wishful thinking.

Mr. Thomas: As far as controls are concerned—

Mr. Pallett: More of that funny money, I guess.

Mr. Thomas: —many times during this debate the controls have been indicated to the house, federal export permits, export permits from Alberta and permits from the board of transport commissioners. The arguments that are being put forward in the house about selling out to United States capital, the same arguments as were used the other night by the hon. member for Rosetown-Biggar on a television program, are absolutely at variance with the facts. I remember very well that earlier this session the hon. member for Rosetown-Biggar set himself up as the champion of free speech in this country. I want to remind the hon. member for Rosetown-Biggar that when you have freedom you have certain responsibilities as well.

Some hon. Members: Hear, hear.

Mr. Thomas: One of the most important responsibilities that anyone has is that of truth, and the minute that anyone, a member of the House of Commons or anyone else, steps over that line he has gone beyond freedom and into licence. I have absolutely no use for that type of thing at all.

An hon. Member: He always tells the truth.

[Mr. Thomas.]

Mr. Ellis: His reputation is far better than yours.

Mr. Thomas: No man, Mr. Chairman, has a right to hand the Canadian people the type of tripe that was handed to them on that television program the other night.

Mr. Ellis: It is true, nevertheless.

Mr. Blackmore: It is not true, not a word.

Mr. Thomas: I can understand why the hon. member for Rosetown-Biggar and the other members of the C.C.F. party are so absolutely opposed to this measure. It is because they are absolutely opposed to private ownership of any kind.

Some hon. Members: No.

Mr. Thomas: All you have to do is to read the last paragraph of the Regina manifesto.

An hon. Member: You read it.

Mr. Ellis: Have you ever read it yourself?

Mr. Thomas: You will get that later, too. This idea of public ownership of a line such as this is absolutely impractical. As pointed out by the hon. member for Peace River tonight —

Mr. Ellis: And by the Liberals.

Mr. Thomas: —under such a condition the government would be caught in a price squeeze between the producer and the consumer and it would become the greatest political plaything this country has ever had. Every political party in the country would be out campaigning for higher prices at the wellhead in Alberta and cheaper gas in the province of Ontario and the province of Quebec. No self-respecting government would ever allow itself to be put in a position where it would be forced into that kind of situation.

Mr. Ellis: You are defending the American gas companies.

Mr. Thomas: The C.C.F. have mentioned several times during this debate, as have the Tories, that if the government cancels the franchise of Trans-Canada Pipe Lines all the government has to do is to form a crown company and pick up the option on the pipe. That is not correct.

An hon. Member: Why not?

Mr. Thomas: Because if Trans-Canada Pipe Lines forfeit their option the manufacturing company can go to any part of the world and sell the pipe to any company, and we have no guarantee that it will come to Canada.

An hon. Member: They do not understand that.

Mr. Wylie: We will put it down in writing for them.

Mr. Blackmore: And hire a teacher for them.

Mr. Thomas: Having said that, apparently I have made some enemies on this side of the house but I am not finished because the government itself is not without blame.

Some hon. Members: Oh, oh.

Mr. Thomas: It is as a result of their fumbling, bumbling and lack of decision that the present step was made necessary.

Mr. Ellis: No applause now.

An hon. Member: We can take it as well as hand it out.

Mr. Thomas: If we had allowed Trans-Canada Pipe Lines to go ahead without any interference during the last four years we would have had the pipe line built now, built by private capital all the way through and without any trouble at all for the government. We have to realize that because of this fumbling and indecision the government have taken the only action they could have taken under the circumstances. I would not be surprised but what one of the greatest causes of indecision within the government was the attitude of the Minister of Mines and Technical Surveys. I say that because he has attempted all through the years to squash anything that would bring any credit to the Social Credit government of Alberta. It is quite possible that by his arguments he led some of the junior members of the cabinet to go along with him.

We also know that over the years it has been the expressed policy of the Liberal party in the province of Alberta that there will be no export of natural resources. They have opposed the export of coal, the export of oil, the export of gas. Now the whole thing has come down to the present situation. The government has made a mess of things. They have made it impossible for the company to get private financing. Now the government is in a hurry and it is imperative that this project should be commenced immediately. I want to point out to hon. members that for every week the line is being held up 1 billion cubic feet of gas are going to waste in the province of Alberta.

Mr. Nesbitt: Why do you not build it with rubber money?

Mr. Thomas: This is gas that should be used for the welfare of the Canadian people. I can assure hon. members of the Tory and C.C.F. parties that the holding up of the legislation will result in the loss of millions of dollars to the province of Alberta and the people of Alberta, is going to result in the loss of the availability of millions of cubic feet of gas to the people of Ontario and Quebec and is going to mean irreparable damage to the entire economy of this country.

An hon. Member: Who held it up for the last five years?

The Deputy Chairman: The hon. member for Greenwood.

Mr. Howe (Port Arthur): Be calm now.

Mr. Macdonnell: Mr. Chairman—

Mr. Howe (Port Arthur): Do not lose your temper.

Mr. Macdonnell: Mr. Chairman, I think this must be one of the strangest enterprises on which this parliament has ever been asked to embark. We are asked to bail out an American controlled company which has among its shareholders some of the richest oil companies in the country. We are asked to bail them out because they have failed repeatedly in carrying out what they proposed to be able to carry out and we are asked to allow them to use the money of the Canadian people with which to speculate. It is a question of heads I win, tails you lose. They can use this money and if things turn out well for them, then they can go ahead and make further money with it. But if things do not turn out well for them, they hand it back to us. That is one feature of this strange proceeding.

The second one is this. In order to carry it out, this democratic assembly is faced with a situation with which it has never been faced before, that is to say closure applied in the way which has been discussed. It is another instance—with which we are becoming all too familiar—of the disregard of parliament. As I watched yesterday, I noted some of the people who were applauding closure. I think some of them were people whom, not so long ago, I would have regarded as real liberals. I do not mean Liberals with a capital "L". I mean real liberals. Yet yesterday they were vigorously applauding closure. It made me realize what I have often realized before, but perhaps never more than tonight, namely what happens when we go on as we have been going on, year after year and when the rights of parliament are disregarded.

The situation is similar to that which confronted us a year ago. A year ago we had a situation where the Minister of Defence Production at that time was determined to have his way, his whole way and nothing but his way. That is what kept us here for nearly a month last summer. We now have

a situation different in some ways but in other ways very much similar indeed. A year ago the difficulty was overcome. The government apparently got itself out of the impasse by getting the minister to go on a fishing trip. Now the fishing season has again arrived and it may be that the government could get itself out of this jam because I think it is quite possible that members of the government do not like what they have been forced into doing. At any rate, it is possible that the fishing season again might help us out of our trouble.

A year ago we thought we really had learned the ultimate on the question of the disregard of parliament. But a year ago we did not have this situation. A year ago we were allowed to debate at considerable length in what Liberals like to regard as liberal tradition. Reference has been made to the former prime minister. Let me give him full credit because in all his years here he never applied closure. He was a House of Commons man. However much we may have differed with him in many ways, we knew that he had a regard for parliament. He might almost have said, like Churchill, that he was a child of parliament.

As I said, the question now is in one way astonishingly similar to what it was a year ago. It is a question of power for this minister whose work is respected in many ways but who, as somebody said tonight, should never be allowed within a thousand miles of a democratic assembly on certain occasions, and I think that is probably right. There is this difference between last year and this year. Last year the minister at least allowed us to know what was going on. There was no mystery about it. There was no mumbo-jumbo. There was nothing behind the curtain. But of course this year we have had a most extraordinary situation—a situation which one would not have believed could have happened—where the minister has carried on the business of the country in his inside pocket, where he has had certain documents. I should not call them documents. They were said not to be documents. They were just letters. It is a very interesting distinction that is made. When the minister was asked if he had documents, he said no. But when he was asked if he had letters—That was a little bit too hard for him, and he said "yes, but not such as you can see". So we learned there, as I say, that documents are not letters. I have asked my lawyer friends and I doubt very much whether the minister could get an opinion on that point.

At any rate, after many months of indecision—and let us remember that—and of considering various proposals—the government a week ago brought down this measure. They had, we understand, spent months in considering it. There was plenty of gossip —and I think it was probably well informed —that there had been grave difference in the cabinet. At any rate the thing went on for months and there was delay and delay as I have said. But there was one place where there was no delay. Once it got beyond the cabinet and into the caucus, there was no delay there. It took them only an hour or two to swallow the whole thing. Theirs not to reason why. It would be interesting if we could get an account of what took place in that caucus just as it would be interesting if we could get an account of the conversation between the minister and Mr. Frank McMahon, but we probably never will.

Mr. Sinclair: Or between Premier Frost. That would be very interesting.

Mr. Macdonnell: The minister is always very helpful and I am very grateful to him now.

Mr. Sinclair: Have you consulted Premier Frost as well, and Premier Manning, your Tory colleague in Alberta? That is much more interesting.

Mr. Macdonnell: Is the minister still speaking?

Mr. Sinclair: Yes.

Mr. Macdonnell: The minister is still standing?

Mr. Sinclair: Yes. I am asking a question.

Some hon. Members: Sit down.

Mr. Sinclair: Mr. Chairman, the hon. member is asking a question. I should like to ask—

Mr. Rowe: He has only 10 minutes to go. Let him continue.

Mr. Sinclair: Mr. Chairman—

The Deputy Chairman: Order. The hon. member for Greenwood, who has the floor, cannot be interrupted without his consent.

Mr. Sinclair: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Rowe: The hon. member for Greenwood has only 10 minutes to go.

Mr. Sinclair: I rise on a point of order. I should like to ask you to ask the hon. member for Greenwood—

Some hon. Members: Sit down.

The Deputy Chairman: Order. If the Minister of Fisheries is not rising on a question of order or privilege, the hon. member for Greenwood may continue.

Mr. Sinclair: On a point of order—

Some hon. Members: Sit down.

Mr. Macdonnell: I do not know what happened in this caucus—

The Deputy Chairman: Order. Is the Minister of Fisheries rising on a point of order?

Mr. Sinclair: Yes.

The Deputy Chairman: Then he will state the point of order.

Mr. Sinclair: I want to ask the hon. gentleman—

Some hon. Members: Sit down.

Mr. Sinclair: I have a good point of order.

Some hon. Members: No, no.

The Deputy Chairman: Order.

Mr. Sinclair: I want to know whether the hon. gentleman is asking rhetorical questions or real questions. If they are real questions I will answer them.

Mr. Rowe: That is not a point of order. It is just an interruption.

The Deputy Chairman: Order. If the committee of the whole will kindly keep order for 30 seconds, I will dispose of this matter. The minister has not raised a point of order. The hon. member for Greenwood will continue.

Mr. Macdonnell: You must not pay any attention to the Minister of Fisheries. He is just one of those Rhodes scholars.

Mr. Sinclair: I know that. I am asking whether these are real questions or rhetorical questions. If they are real questions, they will be answered. If they are rhetorical questions—

Mr. Rowe: It is too late now.

Some hon. Members: Order.

Mr. Sinclair: Is this a real turtle or a mock turtle. If you are a Rhodes scholar, act like a Rhodes scholar.

Mr. Macdonnell: I was just making reference to the caucus which we all would have liked to be at.

Mr. Sinclair: You were asking questions which you do not want answered. You do not want any answers. You asked questions and you wanted some answered. If you want answers, ask me.

Mr. Fleming: Do you know anything about the rules over there?

The Chairman: Order.

Mr. Sinclair: He is asking questions but he does not want answers.

Some hon. Members: Oh, oh.

Mr. Sinclair: He would not know an answer even when he asked a question.

An hon. Member: Better apply closure on the Minister of Fisheries.

Mr. Macdonnell: Before the Minister of Fisheries began his speech I was trying to say something about the caucus.

Mr. Sinclair: You were asking questions and you did not want answers.

Mr. Macdonnell: I think we can all imagine what did happen there. After all, one can well believe that those gentlemen I see opposite and to my right did not need a long period of study to understand this question. They were able, in an hour, to grasp the whole thing. The argument was, "Good old C.D."; that was the argument. After all, the minister is the hero of 1,000 contracts and 100 caucuses. He carries great weight and even his private and confidential correspondence we hear about, even that no doubt had its place.

The Chairman: Order.

Mr. Macdonnell: As I said a few minutes ago we had difficulty last year, but the government did pluck up its courage when the minister went fishing, and perhaps he may go fishing again.

I want to say a word about closure. There is evidently quite a misunderstanding about closure in England. It has been stated it occurred 21 times in a session, and that may be true, but that is not this kind of thing. It is done by agreement. It is not done against the will of the opposition for the purpose of closing them off. This closure is used in that way. No one who saw the way closure was applied could doubt for one moment that it was applied as the absolute antithesis of the whole principle of free discussion. It was applied in, what shall I say, irritation, almost in anger and with the feeling, "We will show you; if you want to have discussion, we will show you it is not so easy to have discussion."

I can understand quite well why the government wanted closure. It does not need the minister's crystal ball to know that. The reason they want closure is that they do not want disclosure. The last thing in the world they want is time to be given so the people can understand what this is about. They remember what happened a year ago. They remember that when the press got hold of what was happening, which they did not do quite as quickly as they have done this year, the government had to slow up and we got a measure of concession. That is the last

thing in the world they want. Mr. Chairman, I believe they can read and when they do read they will know what the press is saying.

Mr. Sinclair: That is what my learned friend is doing, he is reading.

Mr. Macdonnell: The whole idea—

Mr. Sinclair: He wanted parliamentarians, not readers.

The Chairman: Order. It is impossible for me, even at this short distance, to hear the hon. member and I am sure it must be more difficult in other parts of the chamber. I wonder if we could have less noise.

Mr. Sinclair: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Sinclair: It must be very obvious, Mr. Chairman, with his manuscript in his hand, that he is reading.

The Chairman: Order.

Mr. Fleming: No wonder you fell off the ladder.

The Chairman: Order. In parliamentary debate, the hon. member must not be interrupted without his consent.

Mr. Macdonnell: Mr. Chairman, I hope these interruptions will be taken off my time.

The Chairman: Order.

Mr. Macdonnell: I also have a complaint because I was really getting on quite well until this began.

Mr. Sinclair: Put your manuscript down and speak from your heart. You have had an expensive education and you should be able to speak from your heart.

The Chairman: Order.

Mr. Macdonnell: Mr. Chairman, I want to say—

Some hon. Members: It is one o'clock.

The Chairman: I hear some hon. members saying, "One o'clock". May I draw their attention to citation 227 in Beauchesne's third edition, and to the new time in standing order 33 which is advanced from two o'clock to one o'clock. The citation reads:

> If a member has taken the floor at 1.55 o'clock, he is entitled to speak for 20 minutes, but no member "shall rise to speak" after two o'clock.

The hon. member for Greenwood took the floor at 12.43 and his 20 minutes would accordingly have expired at 1.03. Thereafter, in accordance with standing order 33, the question shall be put and no other member shall rise. I am taking it for granted that I have taken a minute or a minute and a half of the hon. member's time, and I propose to remind him that his time will expire at 1.05.

Mr. Macdonnell: Now, Mr. Chairman, after all this I have just one other point I should like to make. I have tried to make clear the curious manner in which this business was done and I should like to read here a question and answer addressed to the Prime Minister which gives me a picture of the action of the cabinet. It is very delightful but rather confusing. On page 3482 of *Hansard* for May 2, 1956, the hon. member for Prince Albert asked this question:

> Will the Prime Minister table the offer of Frank McMahon and his associates. If the offer is confidential, will he ask McMahon to release the confidentiality so the terms of the offer may be brought before the house?

The Prime Minister said:

> Mr. Speaker, I have seen no offer from Mr. Frank McMahon. I will have to inquire from my colleagues if they individually have received a confidential offer. No offer has been brought to the attention of the cabinet.

I mention that because it gives me a curious picture of the Prime Minister going to the Minister of National Health and Welfare and saying, "Have you got a confidential letter?" No. The Minister of External Affairs? No. The Minister of Finance? No. And so he proceeds right across the cabinet. It is a picture that I like to think about but the point I want to make is this. The Leader of the Opposition has been asking for months to have a committee. Why did he want that? So that we might have some knowledge about this, independent knowledge, knowledge from experts. At the present time, we are asked to take a whole lot of unsupported statements made by the Minister of Trade and Commerce. Now, I have a great respect for the Minister of Trade and Commerce apart from his views on democracy, but I do not think we should be asked to take his or anybody else's unsupported views on these important matters. First of all, we are asked to take his view that Trans-Canada are the only people who can do this. That is not an open and shut proposition. I have heard arguments which would drive a coach and six through that. The facts are not as clear as the minister would indicate. After all, Trans-Canada has gone from one position to another. First of all they were going to build the whole thing. Then the question of the northern Ontario bridge came up; they wanted that and finally they wanted to have the western line built for them too.

As far as the committee is concerned, I suggest there is a whole series of what are now questions which should be turned into matters of fact. For instance, what will be the cost to the eastern consumer? I notice in one of the papers a positive statement

that the cost to the eastern consumer will be higher. The next is the statements with regard to McMahon. After all, the minister has made him sound like a fly-by-night, a thing which he is not. He has been represented as if he were a kind of trivial creature that one should not consider seriously. His letters certainly do not suggest that. There are other things, too, which in my opinion should not be dealt with by this house until they become proved matters of fact. I think it is perfectly clear that the Liberal caucus dealt with this whole matter in the most casual manner because they only had it before them for about an hour.

Some hon. Members: We want Sinclair. We want Sinclair.

Mr. Macdonnell: My very last point is this. I should like to draw to the attention of the committee one or two opinions expressed in the press. We are not alone in this; indeed, it is heartening to us to realize the extent to which public opinion seems to be with us.

Mr. Sinclair: It only seems to be, for the first time in 40 years.

Mr. Macdonnell: In fact, it is rather astonishing.

Some hon. Members: We want Sinclair.

Mr. Macdonnell: I shall read some brief expressions of opinion that were quoted in the Toronto *Globe and Mail* today.

Some hon. Members: Time.

The Chairman: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

According to the latter part of standing order 33, which I shall read:

> ...and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

The question to be decided is the following one:

> Resolved, That it is expedient to introduce a measure to provide for the constitution of a corporation to be known as the Northern Ontario Pipe Line Crown Corporation for the purposes—

Shall I dispense?

Some hon. Members: Agreed.

The Chairman: Is it unanimously agreed that I dispense with the reading of the resolution?

Some hon. Members: Agreed.

The Chairman: Shall the resolution carry?

Some hon. Members: No.

Mr. Hees: Never.

The Chairman: Those in favour of the resolution will kindly rise.

Resolution agreed to: Yeas, 156; nays, 58.

The Chairman: I declare the resolution carried.

Shall I rise and report the resolution?

Mr. Fulton: Mr. Chairman, before the resolution is carried, there are a few observations I should like to make.

Some hon. Members: Order.

Some hon. Members: Sit down.

Mr. Rowe: He is rising on a point of order.

The Chairman: Under standing order 33 may I point out that all questions must be decided at the expiration of the time of the last speaker at one o'clock and the only thing I can do is to put all questions to decide this matter. If the hon. member wishes me to, I will put the next question which is moved by Mr. Harris that I do now leave the chair and report the resolution with respect to the Northern Ontario Pipe Line Crown Corporation—

Mr. Fulton: Mr. Chairman, now on a point of order—

Mr. Martin: Mr. Chairman,—

Some hon. Members: Sit down.

Mr. Fulton: On a point of order, does Your Honour—

Mr. Martin: Mr. Chairman, I wish to explain my vote—

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

Mr. Martin: Mr. Chairman, I wish to speak to my pair—

Mr. Fulton: Mr. Chairman, I am speaking to a point of order—

Some hon. Members: Sit down.

Mr. Gauthier (Nickel Belt): Take your point of order home.

The Chairman: Order.

Mr. Martin: Mr. Chairman, on a question of privilege—

Mr. Fulton: No question of privilege is allowed at this stage.

The Chairman: I am entirely governed by the provisions of standing order 33, the last part of which I will read once more:

> ...and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no mem-

ber shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

I have already put one question. I now propose to put the second question which is—

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

Mr. Martin: Mr. Chairman, I have been paired.

Some hon. Members: He was paired in his vote.

Some hon. Members: A pair.

Mr. Martin: Mr. Chairman, I was paired with the hon. member for Cape Breton South and I inadvertently rose and voted. I would ask you to withdraw that vote because I have a pair with the hon. member for Cape Breton South.

The Chairman: I regret very much that it is impossible for me to order that the vote be withdrawn but your remarks will appear in *Hansard*.

Mr. Fulton: Mr. Chairman, on a point of order, do I understand Your Honour to rule that no hon. member can take the floor after one o'clock?

The Chairman: That is the ruling I have made.

Mr. Fulton: Mr. Chairman, on a point of order, I submit that it is not—

Some hon. Members: Sit down.

The Chairman: Order. I have already ruled that I am bound by standing order 33. I must put this question immediately.

Mr. Fulton: On a point of order, I submit—

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

The Chairman: Order.

Mr. Fulton: I submit that Your Honour has no right—

The Chairman: The hon. member must resume his seat while I am standing.

Mr. Fulton: Mr. Chairman—

An hon. Member: Sit down.

The Chairman: The terms of the standing order are perfectly clear, that no member shall rise to speak after that hour but that all such questions as must be decided in order to conclude such adjourned debate or postponed consideration shall be decided forthwith. I have put a question and I now propose to put a second question:

Mr. Harris moves that I do now leave the chair and report the resolution with respect to the Northern Ontario Pipe Line Crown Corporation.

[The Chairman.]

Mr. Fulton: The minister cannot make that motion because you have already ruled that no one can speak after one o'clock. I now desire to speak to a point of order and I insist upon my right to speak.

An hon. Member: Sit down.

The Chairman: Order. The hon member will kindly resume his seat while—

Mr. Fulton: I insist upon my right to speak to the point of order.

Some hon. Members: Order.

The Chairman: Order.

Mr. Fleming: Another gag.

Mr. Drew: Another form of closure.

Mr. Rowe: Can a member not speak to a point of order?

The Chairman: I have already expressed myself on three occasions. I think the standing order is perfectly clear, and I read again from the standing order:

...but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

It is not a question of one member or another speaking after one o'clock, it is a question of deciding those matters which must be concluded in accordance with the standing order. I propose to put the question immediately.

Mr. Fulton: I protest; I demand the right to speak on a point of order.

An hon. Member: Sit down.

The Chairman: Order.

Mr. Fulton: I am not to be bulldozed by the Chairman as this house is being bulldozed by the government. If Your Honour will look at the record of past years he will see that many points of order have been raised at the stage at which I am raising this one. I demand the right to be heard.

The Chairman: If necessary I shall direct the hon. member to resume his seat.

Mr. Fulton: You may do so, but I refuse to be bulldozed.

The Chairman: I direct the hon. member to resume his seat.

Mr. Fulton: I submit—

The Chairman: If the hon. member will not resume his seat I must report the matter to Mr. Speaker.

Mr. Fulton: I will make one more endeavour—

Some hon. Members: Order.

Mr. Fulton: I will make one more endeavour to reason with Your Honour. I wish to be heard on the point of order. You may say that the minister has moved a question but I wish to be heard on a point of order before the question is put. Your Honour should permit me to put the point of order before the question is put. The point of order is this—

Some hon. Members: No.

The Chairman: Order. I indicated that I was bound by the terms of the standing order and that I proposed to put the second question. I can do nothing else if the hon. member—

Mr. Fulton: May I point out to Your Honour—

An hon. Member: Sit down.

Mr. Fulton: May I point out to Your Honour—

An hon. Member: No.

Mr. Fulton: It has been permitted on previous occasions—

The Chairman: I ask the hon. member to resume his seat. If the hon. member does not do so I must report to Mr. Speaker.

Mr. Fulton: May I point out—

An hon. Member: No.

Mr. Fulton: —that points of order have been permitted at this stage.

The Chairman: Order. I am reducing the question to writing in order to report to Mr. Speaker.

Mr. Rowe: Another closure.

Mr. Knowles: Mr. Chairman—

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Knowles: Mr. Chairman—

Some hon. Members: Order.

The Chairman: I am in the course of reporting this matter to Mr. Speaker and until that is done I have no further—

Mr. Knowles: Mr. Chairman, this—

An hon. Member: Sit down.

Mr. Knowles: Mr. Chairman, this afternoon—

An hon. Member: Sit down.

Mr. Knowles: Mr. Chairman, this afternoon when you were—

Some hon. Members: Order.

The Chairman: Order.

Mr. Coldwell: This is more disgraceful than closure.

Mr. Knowles: I rise on a question of privilege.

Some hon. Members: Order.

The Chairman: The hon. member will kindly resume his seat while—

Mr. Knowles: I rise on a question of privilege, Mr. Chairman—

The Chairman: Order.

Mr. Knowles: I rise on a question of privilege—

An hon. Member: Sit down.

Some hon. Members: Order.

Mr. Knowles: Mr. Chairman, this afternoon when you were at this same stage you accepted advice from the Minister of Finance. Why is it you accept advice from the Minister of Finance and you will not accept advice from this side?

An hon. Member: The majority are on this side.

An hon. Member: The majority rules.

The Chairman: Order.

And Mr. Speaker having resumed the chair:

Mr. Robinson (Simcoe East): Mr. Speaker, in committee of the whole when considering the resolution with respect to Northern Ontario Pipe Line Crown Corporation Mr. Fulton attempted to raise a point of order and I ruled that in accordance with the provisions of standing order 33 no member shall rise after one o'clock a.m. I directed the hon. member to resume his seat; I did so after putting the question with regard to concurrence in the resolution and immediately prior to attempting to put the question that I do leave the chair, and the hon. member declined to do so.

An hon. Member: He rose on a point of order.

Mr. Fulton: I think it should be pointed out that I rose on a point of order.

Some hon. Members: Order.

Mr. Speaker: The hon. member for Kamloops realizes of course that I must take the report from the chairman as I received it.

Mr. Fulton: I object to the report; the report does not accurately state the facts.

Mr. Speaker: Order.

Mr. Drew: Mr. Speaker, on a point of order, I wish to place before you the fact that the report is not an accurate report—

Some hon. Members: Order.

Mr. Drew: And that Your Honour on a point of order should hear the hon. member for Kamloops state exactly what did happen.

Mr. Knowles: I rise on a point of order. My point of order is based on standing order 6(3) which deals with the time of adjournment. It is now well after ten o'clock, and this house under your speakership cannot continue to sit without unanimous consent. You have no option but to adjourn the house.

Mr. Speaker: I can see that hon. members have had a very good day, and so did I. Now the hon. member claims that I cannot even resume the chair.

Mr. Fulton: That is correct.

Mr. Knowles: Having resumed the chair you must adjourn the house.

Mr. Speaker: The hon. member has cited a standing order but I would have preferred to have him cite standing order 6(4) which reads:

(4) When it is provided in any standing order that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the house until the specified proceedings be completed.

Mr. Knowles: Is there any standing order that specifies that the matter raised by the report from the chairman—

Mr. Speaker: At this moment I am not going to be called upon to decide a matter which must be dealt with in committee of the whole. Standing order 59(4) says:

The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

Now this is the situation in which I appear in the chair at the moment. I have received a report from the chairman of the committee of the whole in which he said:

In committee of the whole, when considering the resolution with respect to the Northern Ontario Pipe Line Crown Corporation, Mr. Fulton attempted to raise a point of order.

The chairman ruled that in accordance with the provisions of standing order 33 no member shall rise after one o'clock a.m. and directed the hon. member to resume his seat. Mr. Fulton declined to do so.

That is the end of the statement that I received from the chairman.

Mr. Fulton: Now, Mr. Speaker— —

Mr. Speaker: I know that the hon. member does not accept the report as being an accurate one, but I have no knowledge of what goes on in committee. I have no control over the committee of the whole. The house in committee of the whole controls its own affairs. The chairman directs order according to standing order 59. By virtue of standing order 59 (4) he reports that this disorder has happened in committee, and that can only be dealt with by the house. I am only the pipe line through which this report is presented to the house. It is up to the house to deal with it.

An hon. Member: What are you going to do about it?

Mr. Speaker: What am I going to do about it? If the hon. member looked at the authorities he would see that once a report has been submitted to the house it is up to the house itself to do whatever it pleases with the report. In these instances may I suggest that the leader of the house has a part to play?

Mr. Fulton: I rise on a point of order. I know that although this matter has been raised before, it has not been dealt with before and it has not been disposed of. I have read the debates on closure and the proceedings thereunder since 1913, and though the point has been raised before—

Mr. Speaker: Yes, I know. The hon. member now is trying to debate before me the matter which he attempted to debate before the chairman of the committee of the whole.

Mr. Fulton: No, I am dealing with the question of an inaccurate report, and what I am saying here is that so far as I am aware at this stage of the proceedings there has been no decision on the question of what happens when a report alleged to have been inaccurate is presented from the chair under circumstances such as this. My point of order now is that Your Honour, before you say, "The house has received the report", should give the member who is the subject of the report, an opportunity to state the facts as they actually occurred when an allegation is made, as has been made in this case, that a report is inaccurate, and I request the right to state to the house what the facts were—

Mr. Speaker: The hon. member says there were instances of a report having been corrected. Would he be good enough to give me the citation of whatever authority he has for that statement?

Mr. Fulton: I do not say that, but I refer to the debates of 1913—I think it is. It was one of the occasions when closure was moved in committee, and a point of order having been raised, members of the committee objected and said to the Speaker, "You are receiving an inaccurate report", and the Speaker did not deal with the question.

Mr. Speaker: What is the instance? I am quite prepared to do the very best that can be done in the circumstances.

Mr. Fulton: I refer to page 9590 of *Hansard* for 1912-13, in which it was stated by a number of members then sitting on this side of the house that the report was a false report, and that question was simply not dealt with by the Speaker. I claim the point should be dealt with and the member who is the object or subject of the report should be given an opportunity to state what the facts were.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, you were kind enough to suggest that I might have some responsibility in this matter, and I accept that, having in mind the fact that it is now 1.30.

An hon. Member: Do you want to go?

Mr. Harris: I am quite prepared to stay as long as the hon. member. It seems to me that the chairman of the committee of the whole was called upon by the hon. member for Kamloops to consider a point of order which the chairman did not feel he could entertain, having in mind the wording of the rule.

Once again, I do not question at all the decision or the judgment of the chairman of the committee of the whole, but I am sure that we would save time if we heard the point of order in the committee rather than before Mr. Speaker in the house and that then, if the point of order is well taken, there might or might not be an appeal to you, sir. If there is no appeal we could dispose of the question in the committee of the whole and sooner or later we could come to the conclusion of whatever we are doing.

On the other hand, if there is a report made to Your Honour, as there has been, and Your Honour feels that the matter rests with the house, we might take a considerable time discussing the report. If my hon. friend's point would be met by reverting to the position as it was in the committee of the whole, so that the point of order might be made and a ruling made on it, then I presume he would be content. Whether or not this point was accepted would really make no difference in the long run, because he would have the right to appeal to Your Honour in the circumstances.

Mr. Speaker: Is that satisfactory to the hon. member?

Mr. Fulton: I was desirous of making a point of order in the committee—in my submission, a valid point of order. Naturally I am prepared to make that point of order in the committee. All I can suggest is that, if the leader of the house would restrain his colleagues in the cabinet as well as in the house, these difficulties would not arise—and I am perfectly prepared to go on in committee.

Mr. Speaker: If the house is so disposed as to deal with the report that has been made to it through me in the fashion that has been indicated by the Minister of Finance and agreed to by the hon. member for Kamloops, all that the house can do now is to resume forthwith the sitting in committee of the whole.

And the house having resumed in committee:

The Chairman: Hon. members will realize that this procedure is somewhat new. I have drawn hon. members' attention to the latter part of standing order 33, which I shall read once more:

> ...and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

I had put one of the questions which must be decided, being the resolution itself. Then I put the other question. I asked if it were agreed that I should leave the chair to report the resolution, and some hon. members said no, as I understood it. I therefore proceeded to put the other question which must be decided in accordance with standing order 33. That question is the following one, that I do now leave the chair and report the resolution with respect to the Northern Ontario Pipe Line Crown Corporation.

I considered and I still consider that I am bound by the strict terms of the standing order in putting the two questions at this time. On the other hand, as I said, it is a new question and I have in effect received instructions from the house. Therefore, I will be glad to hear the hon. member for Kamloops on the point of order, but since, after all, I must actually decide these points without debate, I hope he will confine his remarks to the problem as I have outlined it and what I think is the crux of the problem.

Mr. Fulton: I accept your terms of reference subject to one amendment, and that is that you will decide it without debate, but I hope you will listen to debate before you decide it. My point of order relates directly to the last words of standing order 33 under which you have said that you and the committee are now operating. These words are:

> ...and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration shall be decided forthwith.

Northern Ontario Pipe Line Corporation

In my submission the postponed consideration which was before us was the question which Your Honour said was the question before the committee, and I took down your words. You said, "The question to be decided is the following one" and you then put the question on the resolution.

The Chairman: May I interject at that point? Some months ago we had a discussion here one day when hon. members entered the committee while voting was taking place. I indicated at that time that with respect to future votes in committee I would preface the question by saying, "The question is the following one", and if you will read *Hansard* you will find that I said that at that point hon. members would then no longer have the right to enter the chamber and vote. It was not that I indicated that there was only one question or that I wished to indicate that there was only one question to be decided. It was following a precedent which I thought I had established some months ago.

Mr. Fulton: In my submission there is, of course, only one question before this committee at the time when closure was moved and that question was: Does the committee approve or disapprove the proposed resolution? The motion to report is a separate motion and it was not before the committee when closure was moved. You cannot have two questions before the committee at the same time. There was no amendment moved and in the absence of an amendment how could it possibly be argued that there were two questions before this committee?

There was one question for decision. Upon the result of that decision depended another question. If the resolution had been defeated the question you now propose to put would not have arisen. If the resolution had been defeated you would not be suggesting or inviting a motion to report because there would be nothing to report. Therefore, the whole question with regard to the report of the committee is an entirely separate question from the question on the resolution itself, and that question was not before the committee. The matter or reporting was not and could not have been before the committee when closure was moved.

It is well established and well understood that the terms of the closure motion apply only to the question for consideration, debate on which is to be resumed at the time when the closure motion itself is moved. I point out to you that the notice given by the Minister of Trade and Commerce yesterday afternoon at the beginning of the debate certainly did not include the question of the report of the committee. It included only the resolution then before the committee.

May I point out to Your Honour, who, I see, is receiving considerable advice, that my second point follows from the first and is to this effect, that it is not open, as you yourself have ruled, to any hon. member to rise and speak after one o'clock unless that member happens to have taken the floor a few minutes before one and carries over after one. But after that member has spoken it is not open to any hon. member to take the floor.

A little earlier, before we had what I may call the misunderstanding which resulted in the Speaker resuming the chair, you put the question which you proposed to move in these terms: "Mr. Harris moves that I report the resolution". Of course, it takes a motion by an hon. member that you report the resolution. My second point therefore is that it not being in order for any member to take the floor, as you made very clear to me, it is not possible for the Minister of Finance to take the floor to speak in order to say: "I move that you report the resolution".

You may argue, sir, anybody over there may argue, and I am quite prepared to meet the argument, that in that case there is a flaw in the drafting of the closure rule. I am quite prepared to accept that. This point that I am raising has never been raised before and therefore it has never been dealt with before. It has never been disposed of before.

Mr. Gardiner: There is no other way of getting out of committee.

Mr. Fulton: I am putting it to you as a proposition which requires a decision at the present time. It is made clear in Beauchesne that the report of the chairman to the house cannot be based otherwise than on a motion to report. Therefore, I say that the motion to report cannot be made at this stage and the motion to report is not the question which was before the committee when closure was moved because it is a motion which depends entirely on the decision of the other question, that is, do we favour or do we oppose the resolution? Therefore, the motion to report is not one of those motions which must be decided in order to conclude such adjourned debate or postponed consideration. The only postponed consideration was the resolution itself.

Therefore, I state that you are not in a position to make any report at this time to the house even if the house were in a position to sit and receive it, which I question, but your report must be made at some later stage, probably at tomorrow's sitting.

The Chairman: I have listened with care to the hon. member for Kamloops and I must draw his attention once more to the provisions of standing order 33 which govern us at the present time. This time I will read the entire standing order.

Immediately before the order of the day for resuming an adjourned debate is called, or if the house be in committee of the whole, or of supply, or of ways and means, any minister of the crown who standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause, or clauses, section or sections, preamble or preambles, title or tiles, shall be the first business of the committee, and shall not further be postponed; and in either case such question shall be decided without debate or amendment; and if the same shall be resolved in the affirmative, no member shall thereafter speak more than once, or longer than 20 minutes in any such adjourned debate; or, if in committee, on any such resolution, clause, section, preamble or title; and if such adjourned debate or postponed consideration shall not have been resumed or concluded before one o'clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

May I point out the words "and shall not further be postponed". May I also point out to hon. members the words in the latter part of the clause:

...all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

As to the question of hon. members rising in their places, the words of the standing order to the effect that no member shall rise to speak after that hour must be considered in the light of the words:

...all such questions as must be decided in order to conclude such adjourned debate or postponed consideration, shall be decided forthwith.

May I also draw to the attention of hon. members Beauchesne's third edition, citation 227, which reads as follows:

227. If debate is on an amendment under closure, and a division takes place on that amendment before two o'clock in the morning,...

Under the new rules, of course, it is one o'clock.

...a new amendment may then be proposed, but the speeches thereon will be limited to one for each member who has not already spoken and shall not be longer than twenty minutes. A division may again take place on this new amendment, and another one be again proposed, and so on until two o'clock. The government members, in order to prevent the opposition from proposing such amendments, may keep up debate until two o'clock in the morning,...

And here are the words which I wish to draw to the attention of hon. members:

...when all questions connected with the main motion have to be decided forthwith.

In my opinion,—as I attempted previously to rule—the question of leaving the chair and reporting the resolution is so intimately connected with the main motion that it is part of the proceedings which must take place tonight. I consider myself bound by what I must say are the clear terms of the standing order, and I so rule. If the hon. member wishes to appeal that ruling, I should be glad to report the matter to the house.

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

Mr. Tucker: Mr. Chairman, may I make a point of order?

Mr. Knowles: Order.

The Chairman: Order. While I am having the question reduced to writing I hope I shall not have any further questions of order raised.

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

In committee of the whole when considering a resolution with respect to the Northern Ontario Pipe Line Crown Corporation, Mr. Fulton raised a point of order to the effect that when closure was adopted, there was only one question before the committee and that the question that Mr. Chairman rise and report the resolution was not covered; and further that since it was not open to any member to take the floor after one p.m. the second motion was not in order.

Mr. Chairman ruled that, according to standing order 33, all questions which must be decided in order to conclude such postponed consideration must be decided forthwith and that since the motion that the chairman report the resolution is essential for disposing of the resolution, it must be disposed of in accordance with the standing order.

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

Mr. Speaker put the question as follows:

The question is the following one. In committee of the whole, when considering a resolution with respect to the Northern Ontario Pipe Line Crown Corporation, Mr. Fulton raised a point of order to the effect that when closure was adopted, there was only one question before the committee and that the question that Mr. Chairman rise and report the resolution was not covered; and further that since it was not open to any member to take the floor after 1.00 a.m. the second motion was not in order.

Mr. Chairman ruled, that according to standing order 33 all questions which must be decided in order to conclude such postponed consideration must be decided forthwith and that since the motion that the chairman report the resolution is essential for disposing of the resolution, it must be disposed of in accordance with the standing order.

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

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The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechêne
Decore
Deschatelets
Deslières
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—155.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nickle
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—56.

And the house having resumed in committee:

The Chairman: Mr. Harris moves that I do now leave the chair and report the resolution. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: Those in favour of the motion will kindly rise. Those opposed to the motion will kindly rise.

Motion agreed to: Yeas, 156; nays, 55.

The Chairman: I declare the motion carried.

Resolution reported.

Mr. Knowles: I rise on a point of order. Standing order 6 (3) reads:

> At 6.00 o'clock p.m. on Wednesdays and Fridays and at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays, unless hereunder otherwise provided, Mr. Speaker shall adjourn the house without question put until the next sitting day.

This is, or it was when it started, a session of Tuesday, therefore it should be adjourned by the Speaker at ten o'clock. I point out

that it is now well after ten o'clock and therefore the house should be adjourned. It is my contention that unless there is unanimous consent no further business can be done by the house at this sitting which started yesterday and is still going now at 2.15 a.m. Your Honour may wish to call my attention to standing order 6 (4), which reads:

When it is provided in any standing order that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the house until the specified proceedings be completed.

May I point out that Your Honour has said on a number of occasions, in fact you said it within the last hour, that the house does not know what goes on in the committee of the whole. Earlier in these proceedings when another matter was reported to Your Honour you, sir, used these words: "I have no knowledge of what goes on in committee of the whole." Therefore Your Honour cannot know, although I am pleased to inform you—I should say that will inform you; I am not pleased to do it—that in committee of the whole today there was moved by the government a motion of closure under standing order 33. I not only give Your Honour that bit of distasteful information, but I point out that the motion for closure, which was moved by the Minister of Trade and Commerce, was "that further consideration of this resolution shall be the first business of the committee and shall not be further postponed". The only decision taken in our committee of the whole, of which Your Honour has no knowledge, was that there be closure in the committee on the resolution.

Mr. Speaker: May I interrupt the hon. member to notify him that I have no knowledge of what goes on in the committee of the whole until it reports. The committee has just reported and I know what has gone on.

Mr. Knowles: Your Honour knows that the committee has reported but you do not know the trouble the government went through to get that resolution before the committee.

Mr. Speaker: Order. Let us have a discussion on the point of order that the hon. member started to state; let us not go into what happened in the committee of the whole on previous proceedings.

Mr. Knowles: Mr. Speaker, the only reason I made that other reference to the committee was so that no one else would introduce the question of closure and claim that it applied at this stage. As Your Honour says, what you now know—

Mr. Speaker: I do not intend to apply standing order 33.

Mr. Knowles: That is fine; you have saved quite a lengthy part of my speech. We are now at the point where the committee of the whole has reported. That report has not yet been received by the house, neither has there been a motion for concurrence in the report nor have there been any other proceedings that might follow thereafter. It is my contention that none of those proceedings should be taken by the house tonight for the reason that we are four hours and seventeen minutes past the time when the house should be adjourned.

Mr. Speaker: The hon. member has brought to my attention the standing order which has to do with the ordinary time of adjournment. Standing order 6 (3) reads:

At 6.00 o'clock p.m. on Wednesdays and Fridays and at 10.00 o'clock p.m. on Mondays, Tuesdays and Thursdays,...

I emphasize the following words:

—unless hereunder otherwise provided, Mr. Speaker shall adjourn the house without question put until the next sitting day.

Then standing order 6 (4) reads:

When it is provided in any standing order—

I stress the words "any standing order".

—that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the house until the specified proceedings be completed.

I would direct the hon. member's attention to standing order 62 which was approved last year and which reads:

Whenever a resolution is reported from any committee of the whole, a motion to concur in the same shall be forthwith put and decided without debate or amendment.

I should like also to point out to the hon. member who has raised the matter of the sitting day—he said that we are four hours beyond the sitting day that we started on—that the sitting day starts at the moment that we parade in with the mace and stops at the moment we parade out with the mace. I would refer the hon. member to Bourinot at pages 212 and 213 in which he states that a full parliamentary day is one that is a sitting of the house. A sitting of the house is from the moment the house starts at 2.30 until it is adjourned. I quote:

If it is intended to meet earlier next day, a formal motion should be made previous to the adjournment of the house, as in the case of holidays or church festivals. Sometimes the house has two or three distinct sittings on the same day. In such cases each sitting is considered a full parliamentary day, and bills of supply can be advanced stages without objection.

In this case we have not done that. We have not divided our sitting to make two or three sittings in one sitting day. We only

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have one sitting day which started at 2.30 and which will not conclude until the mace is paraded out.

Under the circumstances and basing my ruling on which I have said, specifically on standing order 62, I am left with no alternative but to forthwith put the motion for concurrence. I am bound at this moment to ask the house if it agrees that this resolution be now concurred in.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Those who are in favour please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—158.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—54.

Mr. Speaker: I declare the motion carried.

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

Mr. Speaker: Has the hon. gentleman leave to introduce a bill based on this resolution?

Mr. Fulton: On a point of order, Mr. Speaker, I submit that the motion you now propose to put would be an entirely new proceeding. I appreciate that Your Honour has ruled that, under the provisions of standing order 62, whenever a resolution is reported from any committee of the whole, a motion to concur shall be forthwith put and decided without debate or amendment. That has been done. In my submission that ends the proceedings with respect to the making of the report, the receiving of the report and the motion for concurrence. Now we are starting a new proceeding related to the introduction of a bill. I go back to standing order 6(3) which provides that at 10 o'clock on a day like today, unless hereunder otherwise provided, Mr. Speaker shall adjourn the house without question put. If Your Honour should then suggest that the provisions of standing order 6 (4) govern, I would point out that it reads as follows:

> 6. (4) When it is provided in any standing order that the business under consideration at the ordinary time of adjournment be forthwith disposed of or concluded, Mr. Speaker shall not adjourn the house until the specified proceedings be completed.

It was under that provision, as I understand it, that you acted to receive the report and the motion for concurrence in the report because standing order 62 says that the motion to concur shall be put forthwith. Our point now is that these proceedings are concluded. The committee's report has been received and concurred in. Now the minister seeks to make a separate motion related to the introduction of a bill, which is a new proceeding which was not before the committee or the house arising out of the previous stages. Therefore the provisions of standing order 6 (3) apply and the house is not at liberty to embark on these new proceedings because the government has moved and the house has accepted no motion altering the ordinary time of adjournment. The ordinary time of adjournment having passed, it is not within the competence of the house, except with unanimous consent, to take up any new business. In case Your Honour or the government should be under any misapprehension, I can assure you that such unanimous consent would not be given.

Mr. Knowles: Mr. Speaker, it is not my intention to speak at length on this particular point of order. It seems to me that the arguments made by the hon. member for Kamloops (Mr. Fulton) are quite clear. In line with the argument which I made at the previous stage I might say that in addition to the fact that standing order 62, which Your Honour quoted on the last point of order, relates only to the presentation or the receiving of and concurrence in of a report, the introduction of a bill is provided for in a separate standing order, namely standing order 71, paragraphs 1 and 2, and also in two or three other standing orders after that. I mention the fact that the introduction of a bill is completely separate from the resolution in support of the contention that has already been made that we are now at a new proceeding. Frankly, Mr. Speaker, I do not think all of this discussion is necessary at all. I think all I need to say is "Ten o'clock".

Mr. McCann: Who are you?

Mr. Speaker: When the hon. member says that all he needs to say is "Ten o'clock", he is repeating a point which he attempted to make earlier.

Mr. Knowles: What time is it, Mr. Speaker?

Mr. Speaker: The time is a quarter to three. If the hon. member to whom I have listened—as I always do—with great reverence will be kind enough to listen to me, I will make my point, following which he will know exactly what his recourse may be.

I am not going to go back at great length to his point that because it is now twelve minutes to three he can call it ten o'clock and I should leave the chair. The hon. member knows very well that when a resolution has been reported and concurred in by the house it is customary—and I repeat "it is customary" —to take—

Mr. Knowles: Provided the house is still in session.

Mr. Speaker: Of course, if the hon. member wishes to go back to a point that I thought I had already settled, we shall have repetition. Rules of procedure are the discipline which hon. members are prepared to accept for themselves and the authority which they are prepared to give their Speaker to enforce them. That is the situation. The citation No. 1 which the hon. member for Winnipeg North Centre (Mr. Knowles) referred to me the other day in Beauchesne's third edition is one that would apply in the circumstances because it states very well what the position is. The point is that the minute the resolution is concurred in, an order issues for leave to introduce the bill. I am going to make the point again. The authority will be found at page 165 of Beauchesne's third edition in

which is outlined the procedure on bills day by day. On the second day the bill goes through the stage of a motion under government orders on the order paper and so on and finally the Speaker says "When shall this bill be read a second time?" "Next sitting of the house". That is what Beauchesne explains to be the procedure on the second day for the consideration of a bill. I say that when the house has concurred in the resolution on which a bill is to be founded, an order issues for the introduction of the bill. I am not going to say that without indicating what the authorities say on the point. There are bills that are introduced upon an order of the house and those bills are either preceded by certain preliminary proceedings or they are ordered in without any preliminary proceedings. At page 490 of May's fifteenth edition he deals with bills that are ordered in without any preliminary proceedings and he says this:

> In the absence of any preliminary proceedings, a motion may be made that leave be given to bring in a bill.

And then at page 487 he deals with bills preceded by certain preliminaries—he says this:

> A certain class of bills, the main object of which is the expenditure of money or the imposition of taxation, must, in accordance with the requirements of the standing orders regarding charges on the people, originate in committee of the whole house.
>
> When the resolutions have been reported and agreed to by the house, a bill is ordered thereon, or upon some only of the resolutions.

On that same point Campion at page 177 has this to say under bills introduced with preliminaries:

> A certain class of bills, whose main object is the expenditure of money or the imposition of taxation, generally called "money" bills, are still required to be preceded by resolutions passed in committee of the whole house and agreed to by the house on report. In this case the bill is ordered to be brought in immediately after the resolutions are agreed to.

Therefore the resolution having been agreed to, an order of the house does issue for leave to introduce the bill.

Mr. Fulton: Would Your Honour permit just two observations?

Mr. Speaker: Yes.

Mr. Fulton: At the beginning of your remarks, Your Honour stated that it is customary to introduce immediately a bill based upon a resolution. In reply, may I point out that it is customary for the house, for instance, to permit the government whip to revert to motions if he wishes to announce changes in committees the next day or for cabinet ministers to revert to motions. It is the custom for the house to permit that, but it is not mandatory upon the house to do so and if the house objects then leave to revert to motions is refused and that is not permitted.

Now, my point based upon that is that although it is customary to follow the passage of a resolution by the introduction of a bill, it is customary only because that almost invariably takes place before ten o'clock. It is now after ten o'clock and we have cited standing order 6(3), which must have some application. We submit it has application now and therefore we are entitled to say we are now in a position where we do not have to follow the usual custom and where, in fact, it would be improper to follow the usual custom. We refuse unanimous consent to do so.

If standing order 6 has any application, and unless Your Honour rules that the introduction of a bill is the same thing exactly as the receipt of a report, a proposition which I find it difficult to believe Your Honour would advance, then we are at another proceeding and we are entitled to refuse consent and do so refuse and the custom may thus be suspended for this occasion.

Mr. Speaker: The hon. member cannot invoke standing order No. 6 because at ten o'clock he could not call it ten o'clock. He was at that moment under standing order 33.

Mr. Knowles: Your Honour does not know that.

Mr. Speaker: Yes, I do, because the committee has reported. If the hon. member wants to play with words—

Mr. Fulton: We might have given unanimous consent to sit after ten o'clock in the committee.

Mr. Speaker: I do not think this evening I will convince very many hon. members, who apparently are not apt to be convinced and it is their privilege, but I must rule on the points that have been advanced. I have allowed hon. members to make their points, and I would be very happy if they would now allow me to make mine.

I say that the minute a resolution is reported a chain of events must take place, and they usually take place when a better climate prevails, let us say. I use that expression just so hon. members will understand. It is not unusual for leave to be granted, bills to be read the first time and the day appointed for second reading at 10.05 p.m.; 10.10 or 10.15. It is customary and unanimous consent is not necessary because as soon as the resolution is reported standing order 62 takes care of the motion for concurrence. Then, if it is true, as Campion and May say, that as a result of the motion being concurred in, an order for leave does issue, I will even make the point that the motion for leave is

not necessary. This is so true that when some bills are founded on resolutions which have been agreed to in committee of ways and means and the bills are not ready, they are therefore prevented from being introduced immediately after the resolutions are reported because of another standing order which says that a bill cannot be introduced in a blank or imperfect form—those bills are introduced later without notice. They do not even appear on the order paper. I have four instances right there on the desk that I can quote to the hon. member.

I will quote them immediately because I have the references here. He can look at the *Journals* for Saturday, December 8, 1945, page 455; Friday, August 9, 1946, page 669; Friday, June 6, 1947, page 496; May 12, 1950, page 372. All of those bills, founded upon ways and means resolutions, were introduced days and sometimes weeks after the resolutions were concurred in by the house and they were introduced without notice. Their introduction could not follow concurrence of the resolution because of standing order 72, which is to the effect that no bills may be introduced in a blank or imperfect shape. I will quote it at length:

> No bill may be introduced either in blank or in an imperfect shape.

When the Clerk gave me the result of the division a moment ago I asked him, "Do you have the bill?" He said, "Yes". It is only because I received the bill that I hold in my hand, and I can see it is not in blank or in an imperfect shape, that the order which does issue must be taken advantage of, and that is the ruling that I make at the moment.

Those who are in favour of the motion that leave—

Mr. Fulton: With respect, Mr. Speaker, because I appreciate your patience at this late hour and because I regret that I am in fundamental disagreement with your ruling, I respectfully appeal your ruling.

Mr. Speaker: I forgot, and if the hon. member allows me I should like to quote one more precedent which I think might be interesting in connection with what I said, following which if he still wants to appeal I will be delighted to grant him that right. In 1921 a motion for closure was moved by Mr. Doherty on a motion for interim supply. You will find the motion at page 2076 of volume III of *Hansard* for 1921. At page 2094 you will see that the motion was agreed to, that the resolutions were reported and concurred in and that at that moment it was past two o'clock because closure was applied at two o'clock in those days. We were kind to ourselves when we amended the rules last year and inserted one o'clock instead of two o'clock. Once the supply resolutions were reported from the committee and concurred in, the house went back into committee of ways and means, reported the resolution and concurred in the ways and means resolution. Then a bill was introduced, the motion was agreed to, and the bill was read the first time.

Mr. Fulton: But Your Honour will agree that the point of order was not raised.

Mr. Speaker: No point of order was raised, but it just indicates that notwithstanding the fact the point of order was not raised, at 2.25 a.m. they were dealing with these motions which at the time were much more numerous than those we have before us.

Mr. Knowles: May I make one brief comment? The brief comment I wish to make is that some of the references that you read the time before last when you were on your feet indicated that there have been bills, I believe they were budget bills, introduced on a day later than the day on which the resolutions were passed and reported to the house. In other words, although Your Honour's statement is correct that it is customary for a bill to be introduced and given first reading immediately after the resolution is reported, it does not always happen that way and therefore it is not mandatory. It is on that basis that we feel that this is a separate proceeding.

Mr. Speaker: The hon. member says it does not always happen that way. It does always happen that way whenever the bill is ready. When there were so many amendments in the ways and means resolution that the bill could not be ready for introduction as soon as the resolution was concurred in, the bill was introduced later, and as I say they were introduced without notice.

There is one case this session in which a resolution of the Minister of Finance was reported and concurred in and the bill has not been introduced yet. It is not ready. Whenever it is, there will not be 48 hours' notice for that bill to be introduced because an order of the house did issue. There was never any notice given in the cases I have cited in the *Journals*. Let us not discuss this forever. The hon. member for Kamloops (Mr. Fulton) has appealed my ruling. Those who are in favour of sustaining my ruling will say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Northern Ontario Pipe Line Corporation

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

And more than five members having risen:

Mr. Speaker: Call in the members.

May I ask hon. members—

Some hon. Members: Oh, no,no.

Some hon. Members: Order.

Mr. Speaker: Hon. members are now saying "order", but because of the previous noise I was not allowed to start putting the question. May I ask hon. members to realize that if noise prevails in the chamber it will be most difficult for the Clerk and the Clerk Assistant to proceed with the taking of the division. I would ask them to co-operate in this regard.

Mr. Fulton raised a point of order to the effect that when the resolution under closure had been adopted, reported and concurred in it was not in order to proceed with any further business unless unanimous consent was obtained. I ruled that with the concurrence in committee of the whole an order of the house should then issue for leave to introduce a bill and that it was customary to introduce such a bill forthwith. Whereupon Mr. Fulton appealed to the house from my ruling.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspé)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legaré
Lesage
Lusby
MacDougall
MacEachen
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—156.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—55.

Mr. Speaker: The question now is on the motion for leave—

Mr. Knowles: Mr. Speaker, I move, seconded by the hon. member for Assiniboia:

That the house do now adjourn.

Mr. Speaker: The hon. member for Winnipeg North Centre knows that the motion for leave to introduce a bill is a non-debatable motion. If it is non-debatable, how can he speak even to move this superseding motion?

Mr. Knowles: Standing order 25 says:

A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect—

Mr. Speaker: Order. I ask hon. members to allow the member who has the floor at the moment to be heard not only by those who are sitting around him but also by the Chair.

Mr. Knowles: I was simply reading standing order 25. Perhaps I had better read it again:

A motion to adjourn (except when made for the purpose of discussing a definite matter of urgent public importance), shall always be in order, but no second motion to the same effect shall be made until after some intermediate proceeding has been had.

Obviously the part in parentheses does not apply, and obviously the last few lines do not apply. What does apply is the very direct statement that a motion to adjourn shall always be in order. I submit that "always" means always.

Mr. Speaker: But I submit to the hon. member that standing order 25 must be read in conjunction with standing order 44. I must confess to the hon. member that following certain superseding motions that were moved recently I have gone into this question very carefully, namely the relationship between standing orders 24, 25 and 44, concerning these superseding motions. They are always in order providing something is under consideration, something is under debate. Standing order 44 says:

When a question is under debate no motion 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.

At this moment what is before the house is an undebatable motion, a motion that cannot be debated.

Mr. Knowles: Mr. Speaker, there is nothing in standing order 25 that says that it depends upon standing order 44. In the previous discussion we had, Your Honour was able to cite the words "unless otherwise provided hereunder, with respect to another standing order. There is nothing to that effect in standing order 25, and there is nothing to that effect in standing order 44. Therefore I contend that the motions referred to in standing orders 24 and 25, namely a motion for reading the orders of the day or a motion to adjourn, are in a different category from the other motions that are referred to along with those two in standing order 44.

Standing order 44 does not say that motions to postpone to a day certain, to read the orders of the day, to adjourn the debate or to adjourn the house can be moved only when a question is under debate. Standing order 44 puts it in the very reverse. It says rather that when a question is under debate that debate cannot be superseded or interfered with, except by these various motions. I submit that it is quite clear that standing order 44 does not say that a question has to be under debate before these other motions can be put. Along with that is the very clear language of standing order 24 and also of standing order 25, which is the one we are under at the moment, which says that a motion to adjourn shall always be in order.

Mr. Speaker: May I ask the hon. member a question? He will have time to look up another reference that he is trying to put his finger on at the moment. In his view, is the motion for leave to introduce a bill a debatable motion?

Mr. Knowles: No.

Mr. Speaker: Will the hon. member, who has been kind enough to answer my first question, be kind enough now to answer my second? If the motion for leave to introduce a bill is not debatable, even if what he says about the motion under standing order 25 is right, how can he utter a single word in order to move that motion?

Mr. Knowles: In the same way—

Mr. Byrne: Mr. Speaker—

Mr. Speaker: The hon. member for Kootenay East will have an opportunity after the hon. member for Winnipeg North Centre has stated his point.

Mr. Knowles: The question is a good one. The answer is that one gets the floor to move the adjournment that is always in order, even though we are on an undebatable motion, in just the same way as one gets the floor to raise a point of order. It is always in order to do that, even on an undebatable motion, as has been done several times tonight. I submit very strongly that there are certain things, such as raising a point of order, raising a point of privilege and moving to adjourn the

house, which are clearly spelled out in our standing orders as always in order, and there are no strings attached to that fact.

Mr. Byrne: Mr. Speaker, you made your ruling on Thursday last, at which point you said that a motion to adjourn is a dilatory motion, that is, that when a motion to adjourn is made a question must be under consideration. For a matter to be under consideration, the members must be prepared to fix their minds on it with a view to careful examination, that is, they should be prepared to think on it with care.

The question at the moment is not debatable, that is, the motion that is before the house is not debatable. A division simply is being taken. Therefore members are not to rise. They must hear the Speaker in silence. The other day the hon. member referred—

Mr. Fleming: Filibuster.

Mr. Byrne: —to citation 104 of Beauchesne, third edition, which reads in part as follows:

> The Speaker is responsible for the due enforcement of the rules, rights and privileges of the house, and when he rises he is to be heard in silence.

Mr. Fleming: Liberal filibuster.

Mr. Sinclair: Envy will get you nowhere.

Mr. Byrne: This matter has been gone into quite thoroughly and it is quite clear who may move a motion for adjournment. A member who has moved adjournment of the house is not entitled to move the adjournment of the debate as he has already spoken to the main motion which in effect means that he can only rise and move the adjournment if a matter is under consideration and if he has spoken on the question he cannot move the adjournment of the debate. It simply means that there is no matter before the house for consideration so the member is completely out of order when he moves the adjournment of the house at this time.

Mr. Speaker: Before the hon. member for Kamloops rises, he is probably looking at page 332 of Bourinot where he will find precisely what I wanted to quote to him and to the hon. member for Winnipeg North Centre. It is not very pleasant for me to make this ruling because I find that I am correcting a ruling that I made not very long ago which I consider wrong. If Bourinot is right, then I would say that whenever there is a controversy between Bourinot and Beaudoin I will take Bourinot any day.

But I would like hon. members to consider this. Bourinot is dealing with dilatory motions and under "motions of adjournment" he says:

> When any question is under the consideration of either house, a motion to adjourn will always be in order. The 39th rule provides . . .

Then he reads the 39th rule which is our present standing order 25. Its purpose is the same as what is provided in standing order 24, which has to do with a motion to proceed with the orders of the day. It is a superseding motion. Mr. Speaker Sevigny—or Rhodes—in 1917 said that standing order 24 had to be read in conjunction with standing order 44. Of course, the rules did not bear the same numbers then. He said:

> That rule must be read in connection with rule 36, which I will read, as applying to this case.
>
> "When a question is under debate no motion is received unless to amend it" . . .

And so on. That is standing order 44. Perhaps the climate is not as good as it might be in order to make a point that appears new in view of the fact that I have so recently given a ruling which is at variance with the one I should like to make at the moment. I am not going to press the point now. I would imagine that another occasion will present itself and we will have more time in the meantime in order to examine the point further. It seems to me to be unreasonable for the one rule to defeat the other. According to our rules we have a stated definition that a motion for leave to introduce a bill has to be decided without debate or amendment. All that is permitted is a succinct explanation when a bill is introduced after 48 hours' notice and that is not the type of bill that is preceded by a resolution concurred in by the house.

If a motion of that type is not debatable, how can anyone stand up and even utter one word to say: I move such and such a motion. As I say, I will not make a ruling. I will accept the hon. member's motion and I will put it to the house. I hope that after this one is dealt with we will either go home to have a good rest or we will proceed with the next step.

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

YEAS

Messrs:

Aitken, Miss	Fairclough, Mrs.
Argue	Fleming
Balcer	Fraser (Peterborough)
Barnett	Fulton
Bell	Green
Blair	Hamilton (Notre Dame de Grace)
Bryce	Hamilton (York West)
Bryson	Harkness
Cameron (Nanaimo)	Hees
Campbell	Hodgson
Castleden	Howe (Wellington-Huron)
Charlton	Johnson (Kindersley)
Churchill	Jones
Coldwell	Knight
Dinsdale	Knowles
Drew	
Ellis	

Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—55

NAYS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—156

Mr. Speaker: I declare the motion lost. The question now is on the motion moved by Mr. Howe (Port Arthur) and seconded by Mr. Harris for leave to introduce a bill based on this resolution.

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)

Northern Ontario Pipe Line Corporation

Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—156.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—55.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the first reading of Bill No. 298, to provide for the constitution of a crown company to construct a pipe line, make short-term loans, etc.

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

[Mr. Speaker.]

Some hon. Members: No.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it. Call in the members. Do hon. members consider that they have been called in for the purpose of this division? I notice that the hon. member for Portage-Neepawa (Mr. Weir), the whip of the party to my right, has so indicated, and so has the whip of the Conservative party. Is that generally agreed?

Some hon. Members: Agreed.

Mr. Speaker: Would the hon. member for Humboldt-Melfort (Mr. Bryson) take notice?

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Caron
Carrick
Carter
Cauchon
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Fontaine
Forgie
Fraser (St. John's East)
Gagnon
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne

Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Mang
Marler
Masse
Mitchell (Sudbury)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Rochefort
Ross
Rouleau
Roy
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thibault
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—156.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Castleden
Charlton
Churchill
Coldwell
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Perron
Rea
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Zaplitny—55

Mr. Speaker: I declare the motion carried.

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

Mr. Speaker: When shall this bill be read the second time?

Mr. Knowles: Never.

Some hon. Members: Now.

Mr. Speaker: Next sitting of the house.

BUSINESS OF THE HOUSE

Mr. Harris moved the adjournment of the house.

He said: Tomorrow we shall take the resolution in committee of the whole on the National Housing Act, then second reading of the bill to amend the Northwest Territories Power Commission Act, second reading of the bill to amend the Canada Land Surveys Act and second reading of the bill to amend the Tariff Board Act.

Mr. Fulton: Have you been scared off?

Mr. Harris: On Thursday we shall take second reading of the pipe line bill.

Motion agreed to and the house adjourned at 4.42 a.m.

Question

ANSWER TO QUESTION

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

PUBLIC WORKS—BUILDING CONSTRUCTION, N.S.

Question No. 464—**Mr. McCulloch (Pictou):**

1. How many buildings are under construction or have been completed by the Department of Public Works in Nova Scotia to date in 1956?
2. Where are they located and for what purpose are they intended?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Buildings under construction, 10. Buildings completed, 3.

2. Buildings under construction:

Baddeck, N.S.—Federal building

Accommodation for: Post Office Department; Department of National Revenue, customs division; Department of Fisheries.

Halifax, N.S.—Ralston office building

Accommodation for: Department of National Revenue, customs division, income tax division; Department of Labour; Department of Trade and Commerce; Department of Agriculture; bureau of statistics.

Liverpool, N.S.—Federal building

Accommodation for: Post Office Department; Department of National Revenue, customs division; Department of Fisheries; unemployment insurance commission.

Middleton, N.S.—Additions and alterations to federal building

Accommodation for: Post Office Department.

Sydney, N.S.—Federal building

Accommodation for: Post Office Department; Department of National Revenue, customs division; Department of National Revenue, income tax division; unemployment insurance commission; Department of Transport; Department of National Health and Welfare; civil service commission; Department of Veterans Affairs; Department of Citizenship and Immigration; Department of Fisheries; federal government telegraph services.

Tatamagouche, N.S.—Federal building

Accommodation for: Post Office Department.

Yarmouth, N.S.—Ferry terminal building

Accommodation for customs and other administrative services in connection with ferry service between Yarmouth, N.S., and Bar Harbor, Maine, U.S.A.

Yarmouth, N.S.—Federal building

Accommodation for: Post Office Department; Department of National Revenue, customs division; Department of Fisheries; unemployment insurance commission.

Halifax, N.S.—Dalhousie University

Alterations to pilot plant for national research council laboratory.

Halifax, N.S.—Camp Hill hospital

New prosthetic building for Department of Veterans Affairs.

Buildings completed during 1956:

Lunenburg, N.S.—Federal building

Accommodation for: Post Office Department; Department of Fisheries; unemployment insurance commission.

Pictou, N.S.—Federal building

Accommodation for: Post Office Department; Department of National Revenue, customs division; Department of Fisheries; Department of Transport; Department of Trade and Commerce.

Sydney, N.S.—Royal Canadian Mounted Police

Officers' living quarters.

HOUSE OF COMMONS

Wednesday, May 16, 1956

NATIONAL DEFENCE

R.C.A.F.—CRASH OF JET PLANE AT ORLEANS, ONTARIO

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I crave your indulgence to say how deeply shocked we were to hear of the tragedy which occurred last night at Orleans, near Ottawa, in which several persons were killed and others were seriously injured. On behalf I think of all hon. members, as well as on my own behalf, I should like to express the most sincere sympathy to this distinguished community of Grey Nuns of the Cross and to the relatives and friends of the unfortunate victims of the disaster, including of course the two gallant airmen who were aboard the ill-fated jet craft. I am sure we all trust that the number of victims will not increase beyond that actually known at the present time, and I know we will all wish the injured a very complete and prompt recovery.

Perhaps the Minister of National Defence will have some information which he can give the house, because I know this has shocked all hon. members and that we are all deeply sympathetic with those who have suffered from this terrible tragedy.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I am sure all hon. members of the house will wish to learn such facts as have so far been ascertained in connection with the appalling accident about which the Prime Minister has just spoken. Before giving those facts I should like to express the heartfelt sympathy of all the members of the Canadian armed forces, as well as my own, to the relatives and friends of those who died last night when a Royal Canadian Air Force aircraft crashed into the Villa St. Louis convalescent home operated by the Roman Catholic religious order of the Grey Nuns of the Cross near Orleans.

The exact number of persons in the building at the time is not yet known with certainty, but it is believed that between 15 and 20 persons, including the crew of the aircraft, have lost their lives in the explosion and fire which resulted from the impact of the aircraft. In addition several members of the religious order were injured. I have just returned from the scene of the accident, and from the facts which so far can be ascertained, pending the findings of the official court of inquiry which is now undertaking a full investigation, the details briefly are as follows.

An R.C.A.F. CF-100 jet interceptor aircraft, flown by a pilot and navigator, took off from Uplands airport at 9.30 last night as one of two aircraft ordered to intercept an aircraft detected by the radar warning system but not immediately identifiable. The mission is one which airmen of our nine CF-100 squadrons across Canada perform constantly in their task of protecting this country from possible hostile aircraft attack.

Before the interception was carried through to finality the identity of the unknown aircraft was definitely established by the ground control system, through the aircraft's flight plan, to be an R.C.A.F. transport aircraft returning from the Arctic.

Following identification of the unknown aircraft, at about 7,000 feet, as friendly, the two interceptor fighters climbed to about 33,000 feet to carry out practice interception manoeuvres with one another, which is a normal air defence procedure to build up training experience while using up excess fuel load, which is a necessary practice for safe landing.

Continuing under radar control from the ground, one of the two interceptor aircraft returned normally to its base and the other reported by radio from 33,000 feet altitude that he still had some excess fuel on board and would remain airborne longer. This was the last transmission received from this aircraft, following which it rapidly disappeared from the radar screen and within a couple of minutes crashed near the town of Orleans, at about 10.17 p.m. All evidence so far available points to the likelihood that the aircraft descended in a steep dive out of control from a high altitude, crashing directly into the convalescent home. The violent impact resulted in an explosion and fierce fire which completely demolished the building and the aircraft.

Up until the time of the aircraft's last radio transmission no indication of trouble was given by the pilot. The cause of the accident at present remains unknown. There is no trace of the two aircrew members having abandoned the aircraft by parachute prior

to its crash; therefore it must be presumed that their remains are buried in the debris of the demolished building which is at present being searched.

R.C.A.F. equipment and crews have been on duty at the scene of the crash all night and are continuing to co-operate with provincial and local authorities, and officers of this department are doing whatever is within their power to assist the bereaved.

At this time, I am sure the hearts of all members of this house and, indeed, of all Canadians go out to those bereaved by this terrible accident. Despite his best endeavours and the ingenuity of modern science, man's mastery of machines can never be complete. It is a cause for profound sorrow that this accident has taken the lives of so many selfless members of a religious vocation and two members of a service whose mission it is to do everything within its power, by day and night, to provide security for the Canadian way of life.

Hon. George A. Drew (Leader of the Opposition): I wish to join in the expressions of sympathy to the members of the religious order who have been bereaved, the friends and relatives of those resident in the convent who died and those who are injured, and to the relatives and friends of the gallant members of the air force who died on this occasion.

As has been said by the Prime Minister and the Minister of National Defence, the extent of this tragedy does emphasize the terrible nature of what has occurred. It also emphasizes the continuing magnitude of the task that is assumed in preparing for the defence of this country.

As our sympathy goes out to all those who suffered personally or through the loss of loved ones there is also, I am sure, recognition of the fact that the members of our air force are carrying out their services magnificently in every way and that these terrible and unavoidable accidents are simply a reminder of the extent of the effort that is being made to defend the freedom of every Canadian.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, I am sure the Prime Minister and the Leader of the Opposition have spoken for all of us. Nothing remains for me to say except that we join in extending our sympathy to those who are bereaved, the members of the religious order and the relatives of the airmen, and I am sure this will be generally shared by all the people of Canada.

Mr. Solon E. Low (Peace River): Mr. Speaker, I wish to join with the Prime Minister and others who have spoken in expressing sympathy to the community of the Grey Nuns where this tragedy happened last night. We find no words to express the sorrow we feel, and we join with the Prime Minister in expressing the hope that those who were injured will experience a speedy and complete recovery.

Mr. J. O. Gour (Russell): Monsieur le président, je désire remercier le très honorable premier ministre, as well as the leader of the Conservative party, the leader of the C.C.F. party and the leader of the Social Credit party for expressing their sympathy on this very tragic and sad occasion. I want to join with them in expressing my condolence in the name of all the citizens of my constituency to the mother general and all the members of the congregation of the Grey Nuns as well as to the families who have suffered as a result of this sad and tragic accident. I also wish to thank the Minister of National Defence and the members of the air force for doing everything possible. I was there at 11.15 last night, and every care and precaution were taken to help in every way. I also thank the Minister of National Defence for the sympathy he has expressed. All the Canadian people are very sad on this occasion, and I am very sad because most of the nuns who were there were the best friends of my wife and my family, and many of them come from my constituency of Russell.

[*Later:*]

NATO—DISPATCH FROM CANADA OF CF-100 SQUADRONS

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I should like to ask the Minister of National Defence a question supplementary to one asked yesterday by the hon. member for Esquimalt-Saanich (Mr. Pearkes) in connection with the replacement of R.C.A.F. fighter squadrons in Europe. Are the squadrons being returned to Canada to be re-equipped and, if so, with what type of plane?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I think the basic facts of the matter are well within the knowledge of the house. We have 12 squadrons in Europe equipped with Sabre jets. We propose to equip four of those squadrons with CF-100's instead. The first squadron will be sent over this year and we hope the other three will be sent next year. It is not a question of more or fewer squadrons; it is a question of change of equipment.

Mr. Hamilton (York West): As a supplementary question, are not personnel of the present squadrons in Europe being withdrawn when the four CF-100 squadrons are sent to

Europe; and if so, what type of plane will they be equipped with in Canada on their return?

Mr. Campney: The personnel of the four CF-100 squadrons which will replace the four Sabre jet squadrons are being retrained. Headquarters have worked out a system of retraining and substitution in the air force. As the hon. member knows, air crew in the air division in France are constantly being replaced and changed. There will be no particular change in the system except that a greater number of air crew will have to be trained to operate CF-100's.

Mr. Hamilton (York West): As a further supplementary question—after what I have listened to I am sure it is not asking too much—would the minister inform the house what disposition is being made of the Sabre aircraft which are still in Europe as a result of the re-equipment program?

Mr. Campney: There are several possible dispositions which can be made of these planes. I am not in position at the present moment to say which one of them will be followed.

UNEMPLOYMENT INSURANCE

STATEMENT AS TO PROVISION FOR PERSONS DENIED BENEFITS

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, earlier in this session I gave undertakings to make some further statement by the middle of this month on the operations of the Unemployment Insurance Act. The commission has continued to study and analyse the results of these operations under the new act, which has now been in force during the past seven months. This period has not yet been sufficient to form anything like final conclusions with respect to all of the factors involved.

As to the factors related to section 45 (2), as outlined in my statement of the 18th of April, *Hansard*, page 3038, a decision on any amendments affecting the claimants referred to in that statement must be deferred until later, pending the outcome of the analyses of the commission and of the actuary.

From these studies it is clear already, however, that to forestall unintended consequences under section 45 (2) that would otherwise affect insured workers next fall and early winter, I shall want to recommend, before the session ends, a corrective amendment to the act in that connection.

Such an amendment would apply only to a person who had a seasonal benefit claim and who, within 104 weeks after the beginning of that claim, again becomes unemployed and files a second claim, this time for regular benefit, and who may fail to qualify because he may not have made 30 contributions in the preceding 52 weeks. Of course any amendment I may find necessary to propose will be submitted to the unemployment insurance advisory committee so that its relation to the stability of the fund may be considered.

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, while I followed the minister's statement as carefully as possible, I wonder if he would advise the house whether or not steps have been taken to do anything for those people who are at present suffering because of the interpretation placed on section 45 (2)? As I take it, his statement referred to arrangements which are being made to take care of those unemployed next winter. What about those who are at present suffering?

Mr. Gregg: Those to whom I referred on April 18, as I indicated at that time, or by far the largest number of them were under seasonal benefits then. I cannot give my hon. friend the exact details but I know that most of them are now back in employment again. Hence it is to the future we are looking at the present time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if I may ask the minister if we may take it for granted that before he brings before parliament amendments to the Unemployment Insurance Act, in addition to discussing them with the unemployment insurance advisory committee, he will also discuss them with representatives or officers of the Canadian Labour Congress?

Mr. Gregg: Mr. Speaker, that has been my practice in the past and will continue to be so in the future.

Mr. Michael Starr (Ontario): May I ask a supplementary question of the Minister of Labour? I understand that something like 70,000 people were affected by this section. Can the minister tell us how many are still left without employment or benefits out of that 70,000?

Mr. Gregg: I cannot do so this afternoon but I will get the information for my hon. friend as soon as may be.

STATEMENT AS TO APPLICATION TO FISHERMEN

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I promised also to make some further statement with regard to fishermen.

We have also been continuing diligently our

investigations to find out to what extent, if any, the Unemployment Insurance Act might apply to a reasonable number of those who are engaged at sea in the fishing industry, many of whom are self-employed.

I hope to have a further report to make on this topic before many weeks. Even though it should be found that a plan could be formulated to provide coverage for fishermen generally, it will take a good deal of time to work out anything like a practical detailed plan. If a practical plan can be devised, while its effect upon the fund must be considered by the unemployment insurance advisory committee, it may not require an amendment to the act but may be put into effect by regulation under the authority of the governor in council.

[*Later:*]

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Minister of Labour in connection with a statement he made earlier on the Unemployment Insurance Act. Can the minister assure the house that the changes which are being made by regulation in connection with the inclusion of fishermen will be made during the current session of the house so that hon. members will have an opportunity of discussing the proposals that are brought forward?

Mr. Gregg: Mr. Speaker, I can make no promise regarding the time factor, but I can assure my hon. friend that since I have the unemployment insurance estimates still to be completed before the estimates committee and before the committee of supply of this house there will be plenty of opportunity to discuss his point.

RESEARCH

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. G. J. McIlraith (Ottawa West) moved that the first report of the special committee on research, presented to the house on May 14, be concurred in.

Motion agreed to.

STARRED QUESTIONS

BRAIN-WASHING RESEARCH, MCGILL UNIVERSITY

Question No. 52—**Mr. Fulton:**

1. Were any payments made to McGill University or any agency or department thereof by or on behalf of the Department of National Defence, the defence research board or any other agency of the government of Canada for research in connection with "brain-washing", in each of the years 1951, 1952, 1953, 1954 and 1955?

2. If so, what amount was paid in each of these years?

[Mr. Gregg.]

3. To what departments or agencies of the government have the findings, or any of them, been made available?

4. To what outside individuals or agencies have the findings, or any of them, been made available?

Hon. R. O. Campney (Minister of National Defence): The answer to parts 1 and 2 of this question by years is as follows: 1951, $4,178; 1952, $8,502; 1953, $4,320. No payments were made in this connection in 1954 or 1955.

The answer to part 3 is the Department of National Defence.

The answer to part 4 is in the United Kingdom, the admiralty, air ministry and the ministry of supply. In the United States, the navy, army, air force and the central intelligence agency.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SASKATCHEWAN—TOTAL FEDERAL EXPENDITURES

Question No. 453—**Mr. Studer:**

1. What was the total expenditure in the province of Saskatchewan for the fiscal year 1954-55, by the federal government, including the statutory subsidy and tax rental agreement payments?

2. What was the total expenditure during the fiscal year 1954-55 in Saskatchewan by each federal government department and agency?

3. What is the estimated amount that would be payable to Saskatchewan under the proposed national health plan?

4. What was the total amount of expenditures in Saskatchewan by all federal government departments and agencies since April 1, 1944?

MILITARY AIRCRAFT REPAIRS AND INSPECTION

Question No. 471—**Mr. Pearkes:**

1. When the Royal Canadian Air Force, or the Royal Canadian Navy aircraft stationed at (a) Sea Island; (b) Comox; (c) Patricia Bay, require repairing or major inspection, where is this work carried out?

2. What percentage of the work is carried out by Fairey Aviation Company of Canada at Patricia Bay?

3. What buildings, if any, at Patricia Bay airport have been sold or leased to Fairey Aviation Company of Canada?

4. What is the total area at Patricia Bay occupied by Fairey Aviation Company of Canada?

COLOUR ADDED ORANGE IMPORTS

Question No. 475—**Mr. Hahn:**

1. Are any oranges, labelled "colour added", permitted entry into Canada?

2. If so, what is the source of these oranges?

3. What quantity entered Canada last year?

4. What is the composition of the substance used to colour such oranges?

5. Can orange peels so treated be safely used in making marmalade?

MOTIONS FOR PAPERS

WHARF CONSTRUCTION, BAIE STE. CATHERINE, QUE.

Motion No. 77—**Mr. Maltais:**

For a copy of all letters, telegrams, correspondence, maps, agreements and other documents

exchanged, during the past six months, between the government of the province of Quebec and the federal Department of Public Works, regarding the construction of a new wharf at Baie Ste. Catherine, to improve the ferry-boat service between Tadoussac and Baie Ste. Catherine, Quebec.

Hon. Robert H. Winters (Minister of Public Works): Subject to the usual reservation, Mr. Speaker, about first communicating with the government of Quebec.

Motion agreed to.

CITIZENSHIP AND IMMIGRATION—PERSONNEL SUSPENSIONS AND DISMISSALS, QUEBEC CITY

Motion No. 79—**Mr. Dufresne:**

For a copy of all letters, telegrams, memoranda and other documents in the possession of the Department of Citizenship and Immigration, dealing with the dismissals or suspensions of all temporary or permanent employees of the department, in the city of Quebec, since the 1st of January 1954, including those referring to William Georges Rodrigue, 625 Bonaventure street, Quebec 8, Quebec.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, this motion would not be objectionable in so far as it might refer to any correspondence from persons outside the public service. In so far as any correspondence between members of the department or between members of my department and any other department is concerned, those documents would be privileged. I suggest, however, that perhaps the hon. gentleman, on consideration, would consider dropping the motion because in fact if it were passed it would have no practical effect at all because no person was dismissed at Quebec from January 1, 1954, to the present date, and only one person was suspended and that for only one day.

I know the hon. gentleman has in mind the fact that we did not re-engage the services of a temporary seasonal employee and that particular person, whose name is cited in the motion, did write 13 letters to me which he marked "Personal and confidential". Before the hon. gentleman laughs, I should like to say that so far as I am concerned I could not care less whether these letters were published or not, but they do refer to this unfortunate man's private affairs and I would be very hesitant about making them public. If, however, he wants to give them to the hon. gentleman who represents Quebec West, I have no objection whatever. So far as I am concerned there is nothing personal or confidential about them, but they are about his affairs and I do not like to treat his personal and confidential affairs as public affairs.

Inquiries of the Ministry

Mr. Dufresne: Mr. Speaker, the minister claims there was only one man who has not been re-engaged.

Mr. Pickersgill: I did not say that.

Mr. Dufresne: The fact is that many in the city of Quebec—

Some hon. Members: Question.

Mr. Dufresne: —in this department have not been re-engaged. I should like to have the correspondence between the department and these unfortunate people who are still starving today on account of this injustice. I do insist on having this correspondence tabled.

Mr. Pickersgill: I think, sir, I am within my rights in making a correction in the hon. gentleman's statement. I did not say there was only one person who had not been re-engaged. I said there was only one person who had been suspended and that for only one day. I made no statement whatever about the number of people who had been re-engaged, except about this one unfortunate man.

Mr. Brooks: A supplementary question—

Mr. Speaker: At this moment we have a motion that is not debatable. Because of the lengthy explanation of the minister I allowed the hon. member for Quebec West, who was the sponsor of this motion, to make a few comments but at this moment the house must make up its mind about this motion. Those who are in favour will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it and the motion is lost.

LABOUR CONDITIONS

REQUEST FOR STATEMENT REGARDING SETTLEMENT OF SEAMEN'S STRIKE ON GREAT LAKES

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, may I direct a question to the Minister of Labour. Can he give any indication to the house of the progress toward settlement of the dispute between the seamen and the shipping interests on the great lakes and the St. Lawrence river, particularly as this seems to be becoming an extensive lockout by the shipping interests?

Inquiries of the Ministry

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, I had an indication before coming into the house that the hon. member for Swift Current-Maple Creek (Mr. Studer) was going to ask a similar question, so I can reply to both hon. members at the same time.

The house will recall that I made a long statement on this last Tuesday, followed by a shorter statement on Wednesday. In that shorter statement I said that Mr. Carl Goldenberg had been appointed as a mediator in the dispute. Mr. Goldenberg met with the parties that same day, Wednesday, and they met for discussions on Thursday morning at 9.30. Since 9.30 on Thursday morning discussions have been going on almost continuously, with the exception of Sunday, of course, and some good solid progress, so it is reported to me, has been made. Those discussions are going on today.

I cannot report beyond that. But I should like to state to the house that it has appeared to me that the impression has gone abroad that most of the grain ships on the lakes are tied up. That is not true. Of those that were in operation, or coming out of winter tie-up for operation 10 days ago, the vast majority are still in operation.

BUSINESS OF THE HOUSE

REASON FOR APPLICATION OF CLOSURE ON PIPE-LINE LEGISLATION

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the Prime Minister what was the tremendous and compelling urgency to bring the debate to a close yesterday by the application of the closure rule, in view of the fact the government is not prepared to go on with the debate today and the Minister of Trade and Commerce is not away fishing?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, in spite of the very courteous way in which the hon. gentleman has put his question, I will tell him that the reason it was not suggested we should go on today with the second reading of the bill was so that hon. members would have an opportunity to consider it before second reading was called.

Mr. Fulton: May I ask a supplementary question. Since it is obvious that time is not pressing, why was closure applied to bring the debate to a conclusion yesterday?

Mr. St. Laurent (Quebec East): Mr. Speaker, I think we have had a full discussion and a full explanation of the reason closure was applied. The government felt that it was in the public interest that this legislation be passed so a start could be made on the construction of the pipe line this year. It had become quite evident from statements which had been made over many weeks that resort was going to be had to every procedure that could be provided by the rules to retard and prevent the adoption of such legislation. We had many examples of that and it became quite evident that if we wished it to be done the only practical way was to take the responsibility of asking for the application of another standing order of this house.

PIPE LINES

TRANS-CANADA PIPE LINES—REQUEST FOR COPIES OF AGREEMENT

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. In view of the desire of the government that hon. members have a chance to study the bill that we are to debate tomorrow, will he make available a sufficient number of copies of the agreement with Trans-Canada so that all members may have it. If I may state this as a question of privilege, I personally have obtained a copy of the agreement, so I speak not for myself. But I do know that only a few copies are available.

I did not raise the matter earlier because I thought the agreement would be included in the bill as a schedule. Actually I think it should have been, but that is a point to be argued later. Since it is not included in the bill as a schedule, and since only half a dozen copies are available in the office downstairs, would the minister arrange to have copies of the agreement made available to all hon. members before second reading of the bill is discussed tomorrow?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the usual number of copies were tabled. If any hon. member finds that he cannot get access to the tabled copies and will get in touch with my office we will try to help him out.

Mr. M. J. Coldwell (Rosetown-Biggar): May I ask the minister a supplementary question. I may say I got a copy of the agreement, but I did not have it in my possession for very long before the office downstairs asked me to return it because there were so many inquiries for it. I did return it without, I may say, having given it sufficient study. If the minister has copies in his office could he make them available to members of the house in the usual way? I think it would be well if we could get copies.

Mr. Howe (Port Arthur): I am not sure what the situation is about copies. I know that I have complied with the rules of the house. I was asked to table the agreement and I tabled it. I imagine we have extra copies, and if we have I shall be glad to provide them.

CITIZENSHIP AND IMMIGRATION

QUEBEC—PERSONNEL SUSPENSIONS AND DISMISSALS

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration a question arising out of the motion for the production of papers by the hon. member for Quebec West (Mr. Dufresne) with reference to the dismissal of William Georges Rodrigue, Quebec city. The matter of the veterans' preference was entirely ignored by the minister in making this appointment. This man had had considerable experience in this work when he was dismissed from the service, and should have been considered as a permanent appointee.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, it does seem to me that this is the kind of question that should be asked when the estimates are before the committee, but in view of the incorrect statements made by the hon. gentleman I think those incorrect statements should be answered. This man was employed by the department on a seasonal and temporary basis. He was not dismissed, he was simply not re-engaged for another season. The reason he was not re-engaged was that, unhappily and unfortunately, through no real fault of his own he was incapable of doing the work. I think it is rather a shame to try to make a victim of a poor unfortunate man like that.

Mr. Brooks: He was made a victim by your department.

HOUSING

PROVISION FOR CONTRIBUTIONS TO MUNICIPALITIES, HOME LOANS, HOUSING RESEARCH, ETC.

The house resumed, from Thursday, April 26, consideration in committee of Bill No. 215, to amend the National Housing Act, 1954—Mr. Winters—Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Home extension loan.*

Mr. Green: A day or two ago I received a letter from the Vancouver housing association which I think the minister will agree is a reliable and worth-while organization. They point out that over eight months ago the city of Vancouver requested the senior levels of government, which presumably would include the dominion government, to construct a 130-unit housing project for senior citizens at 47th avenue and Knight road under section 36 of the National Housing Act.

Then they go on to say that the plans for this project have been stalled in Ottawa since that time for the reason, it is understood, that the federal government is reluctant to participate in a project designed solely for a single age group meaning, of course, for the senior citizen group, while the city council does not wish to provide more family housing at the present time.

As I read the National Housing Act, there is no provision of that type in the act. If the complaint made in the letter is accurate, the difficulty seems to be in the policy that has been adopted by the government or by the crown corporation. I need not point out to the minister the great need there is for housing for the senior citizens. That has been dealt with quite fully in the earlier stages of this debate, and it is a particularly important matter in British Columbia, where we have a larger percentage of senior citizens than any other province of Canada. This question is vital in that province. There are different organizations, such as service clubs and churches and other organizations, which are doing very good work in helping with the construction of homes for senior citizens, but the need will never be met until the government steps into the picture more fully than it is doing at the present time.

I notice that the resolution preceding this bill did not include any amendment having to do with the question I am raising today, but it did refer in the last paragraph to providing for a number of administration and other changes deemed necessary for the more efficient administration of the act. There are some changes in the act which I think would help with regard to housing projects, but the difficulty here seems to be deeper than that, in that there has been a policy adopted somewhere in Ottawa against going ahead with projects where the people who would be benefiting are in one group, such as a group of senior citizens.

Once again I ask the minister to explain the situation. It seems to me that on this particular problem of getting decent housing for senior citizens there is not enough leadership being given here. There does not seem to be the energy behind any move sufficient to meet that problem in an adequate way. I hope I am wrong in that belief, but it does appear to be the situation at the present time. Perhaps the minister could explain why it is the government is against the policy of helping a housing project for a group such as senior citizens.

Mr. Winters: Mr. Chairman, might I ask what clause we are on now? Am I right in assuming we are on clause 1?

The Chairman: Clause 1.

Mr. Winters: That deals with home extension loans. I should think I would not be in order under the rules of the house in answering the hon. member, and I would like to be guided, Mr. Chairman.

Mr. Green: Mr. Chairman, the minister raises this particular point, I think, more frequently than any other minister in the cabinet. He must know that it has been the rule here that on the first clause of a bill the discussion has not been limited solely to that clause. That is a right which the opposition cherishes and which in the long run means that legislation gets through much more quickly, because if that were not the case it would mean more extended debate on the other clauses.

My question to the minister has to do with his policy; not the particular wording of any clause, but the policy with regard to projects for housing senior citizens. I suggest that I am in order in asking it.

The Chairman: This is a matter which raises a difficult problem in view of the fact that we are governed in committee by the strict rule of relevancy under standing order 59 (2). The hon. member for Vancouver-Quadra in his remarks, I believe, used the word "rule" and he also used the word "right". I cannot concede that there is any "rule" allowing a broad debate such as he apparently has in mind, in view of the very clear language of standing order 59 (2).

I might say that in my personal opinion we are governed by the relevancy rule. I have been able to make, up to date, only a partial study of the "custom" in that regard. I have some material in my office and would be very glad to make an enlarged statement on it at a later date. In the present instance, I think the hon. gentleman from Vancouver-Quadra will agree that he is in effect attempting to discuss an alternative. He shakes his head as if he does not agree with that statement; but an alternative, I presume, would be more appropriately discussed when we are discussing the principle of the bill.

I do not wish to say, and in fact I cannot say, anything more at this time except to indicate that I have been giving the question some consideration and would be glad to lay something before hon. members at a later date when I have had a chance to study it more fully.

Mr. Fleming: I think it will be agreed that in the earlier stages of this discussion the house has been fully co-operative, and I do not think anyone wants to see the discussions and progress today impeded by too technical considerations. The point raised by my colleague from Vancouver-Quadra does give rise to certain questions regarding policy that have a bearing on section 36 of the act. Instead of renewing the discussion we so often have as to whether the rule of strict relevancy is to be applied or whether the custom should prevail of permitting general discussion on the first clause, might I suggest that we are going to lose time by standing on any rule in this matter and that we shall make much more rapid progress if we follow custom and dispose of questions relating to policy on this first clause of the bill.

The Chairman: Order. I might say that the result of the meagre inquiries I have made to date into this matter neither establishes nor denies a custom, but until I can make a lengthier and more comprehensive statement to hon. members I am inclined to agree with the position taken by the hon. member for Eglinton, and I believe if hon. members co-operate we can perhaps make progress in that way at the present time. I must say to hon. members that until that statement has been made I hope they will not consider that we are establishing a precedent for the future.

Mr. Green: Perhaps I could now have the answer to my question.

Mr. Winters: I do not mind answering any questions, Mr. Chairman, when they are in order. I think the hon. member for Vancouver-Quadra is perhaps labouring under a misunderstanding. Normally when a bill is introduced there is a first clause which is rather general in nature. For example, in the housing act the first clause is:

> This act may be cited as the National Housing Act, 1954.

I understand that in such a case it has been customary to have general remarks and questions on the first clause. This bill seems rather different, in that the first clause is very specific in having to do with the deletion of the home extension loan provision under part 4 of the act. I therefore questioned whether I was in order in answering general questions under a specific clause. I do not think there has been any practice established in the committee which would indicate that that is the situation, but where a bill has been introduced with a first clause of a general nature I do acknowledge that a practice has developed. But if the committee wishes me, subject to

the reservations you have stated, to comment on the remarks made by the hon. member for Vancouver-Quadra I am quite willing to do so.

The situation is that several members of the housing authority in Vancouver and members of the city council saw me when I was in Vancouver last December and discussed this point with me. Subsequently there has been an exchange of correspondence with respect to it. Their request was that we make provision under section 36, which is the federal-provincial partnership section of the act, for the building of projects to be assigned exclusively to aged citizens. I told them I had some doubts about the policy of having any housing project assigned exclusively for any particular group of Canadian citizens.

We are constantly asked to build housing projects for this or that ethnic group or this or that economic group. I personally think, and I believe my view is shared by the corporation, that it makes for better housing arrangements and for better all round citizenship if there can be incorporated into housing projects a good cross-section of the Canadian way of life. For that reason we have always stated that we have no objection whatever to having any federal-provincial project incorporate a percentage of aged citizens or any other class of Canadians.

I did remind the citizens of Vancouver that under other provisions of the act such as the limited dividend section, where a limited dividend company, which is a private organization, takes the initiative and asks for a loan from the federal government and that loan is approved, they are then free to house any people they choose. That device has been used successfully in Vancouver and elsewhere to house senior citizens.

Mr. Green: Does the minister not think there is a great difference between say a group of one racial origin being put in a housing project and a group of senior citizens? I do not see that there is any similarity there at all. There is a great need for help for our senior citizens. Why should the dominion government lay down a policy of that kind which certainly is not contemplated under section 36 of the act? There is nothing of that kind set out in that provision or in any other section of the housing act that I can find. I hope the minister will adopt a policy that deals specifically with senior citizens.

Certainly there is a demand in British Columbia for projects of this kind to help our senior citizens, and I think that demand should be considered quite apart from any other demand. Let them be treated on their merit. Here is a demand that has great merit and has public support. People in all our cities are in favour of steps of this kind being taken, and I believe the minister, in laying down the policy that he will not give assistance to a project for senior citizens, is running counter to the spirit of the act itself. I hope he will reconsider that stand.

It is quite evident that the statement made by the Vancouver housing association in its letter of May 14 is correct and that there has been and is delay now because of the policy adopted by the minister. I must protest it. I think it is very unreasonable and unfair to the people in Vancouver who are trying to work out a scheme of this kind, and particularly unfair to the senior citizens of this country. They deserve far better treatment than they are getting under a policy of this type. Goodness knows they have a hard enough time to get along on their meagre payments even in British Columbia, where they can get $60 a month. I do not know how people are able to live on that amount, and surely they should not be deprived of the benefit of this act by the policy which the minister has explained today is in existence and which is entirely contrary to the terms of the legislation itself.

Mr. Philpott: Mr. Chairman, as I have had a good deal of correspondence with the minister on this very matter for a good many months past and for some months before this letter came to the hon. member for Vancouver-Quadra, the hon. member for Vancouver-Kingsway and myself, may I say that to me the minister's answer makes it very clear that there is no conflict between the policy he is trying to pursue and the policy suggested in the letter from the Vancouver housing association, where they say in paragraph 3:

> There are no doubt good grounds for objecting to the segregation of old people in large projects, but if the projects are broken down into smaller units and scattered over different neighbourhoods, as our association has suggested, this objection no longer holds good.

That is exactly what the minister told me many months ago with respect to his objection to the plan proposed by the Vancouver city council subcommittee under Alderman Anna C. Sprott. His objection was that he did not think it was wise to have too many of what he called islands of housing for old people alone, and it was partly in view of what the minister had written me that I tried to make the strongest plea I could, on the occasion of an earlier reading of this legislation, for action for old people's housing under the limited dividend section.

I personally think we are going up a blind alley by putting all the emphasis on

section 36 of the act. It does not seem to me that section 36 is the best section under which to proceed with housing for old people, and that if everybody inside and outside the house really put their shoulders to the wheel and got interested service clubs, churches, branches of the Legion and so on to take the initiative under the limited dividend section we would have a lot of old people's housing that we have not now.

As I see it, under that act they cannot possibly lose. For the whole lifetime of the entire project their loans are under the government guarantee. In other words I think there is no conflict between the views held by the minister and the views held by the Vancouver housing association. They both favour these small units scattered over the whole neighbourhood, and not great big islands of old people's housing.

Mr. Brooks: Mr. Chairman, I just want to say a few words in support of what was said by the hon. member for Vancouver-Quadra. As a matter of fact I think we are many years behind other countries in this question of looking after the housing for our old people. I have brought the matter up previously in connection with veterans across Canada. I think some effort should be made not only to provide homes for our old veterans but to provide homes for the old people in general. I know the sentiment or feeling among many people across Canada today is that our old people are not being fairly treated.

Today we have perhaps many more old people in isolation than formerly on account of our social legislation. They are put in what are called nursing homes; they are isolated; they are off by themselves; they have no community life of any kind. I believe this is one of the important problems confronting us here in Canada. It is not only a local problem in Vancouver; it is a problem all across Canada from the Atlantic to the Pacific.

In the city of Saint John a short time ago a decision was made, I believe, to establish homes for old people. When I was overseas many years ago I recall that in certain sections of England homes for old people had been established. They were a sort of community homes. If an old man and his wife were living together a home was provided for those old people. There was a place for them to go. There was a place also for old bachelors and others. There was a definite community, and over this community there was certain supervision. For instance, there was a nursing organization that looked after the health of the old people. There was a recreation centre where the old people could have recreation.

I believe there is a great need for that sort of thing in Canada today. I think the minister's department could very well take this matter under consideration. In centres all across this country some provision should be made so the life of the older people of this country would be made happier and more contented instead of, as I say, putting them away in a nursing home, in a room away back in the country or in some city, somewhere by themselves where they are unhappy and where they are obliged to live out their last days in loneliness and almost in privation as far as social life is concerned.

I think this is a great question. As I said before, I have raised it in connection with veterans' housing. It also applies to other old people. I am in hearty accord with what the hon. member for Vancouver-Quadra has brought out this afternoon. We are behind other nations. We are behind Sweden, Great Britain and most European countries as far as this problem is concerned.

Mr. Henderson: I should like to say a few words on this bill and on the topic under consideration which has been discussed by those who have spoken previously. I might say that I am pleased that in the city of Kingston we have a group of public-spirited citizens of all races, religions, creeds and politics who have joined together to take advantage of the limited dividend provision of our legislation in order to provide good low-rental housing for senior citizens. At the same time, I think most of our senior citizens like to enjoy that feeling of independence which comes from feeling that they are paying for what they are getting.

With respect to this Bill No. 215, I might say that I am pleased to see that the limitation is removed from part III whereby that part would apply only to low or moderate cost rental housing or for municipal, provincial or federal public purposes. I am glad to see that part III can now be made use of, upon the approval of this bill, so that blighted substandard areas may be put to the best use.

That is most important in older cities like Kingston, for instance, which I represent. In many of these old cities, though they have many historical parts, possibly the early planning has been interfered with by the growth of our country. Many municipalities are looking for an equalized assessment whereby certain areas may be used for either commercial or industrial use in order to increase the assessment where other assessments for an increased number of homes at the beginning cost the city a great deal more money than the tax return. The removal of this limitation certainly will assist the municipalities looking for these features in

removing their blighted and substandard areas and putting them to better use.

I am also pleased that the bill provides that the administration of the National Housing Act will pay one-half the municipality's cost of acquisition and clearance as such costs are incurred, rather than waiting for a long period of time. This removes a considerable burden from the municipal authorities who enter into a scheme like this.

In conclusion I might just say that I should like to congratulate the minister and those charged with the administration of the National Housing Act. May I say that their far-reaching thoughts by this bill keep the National Housing Act not only in step with the growth of our country but in particular with the growth of our cities as our country grows. Once again I feel that I can endorse it as very good legislation.

Mr. Knight: I should like to say a word or two on this topic, Mr. Chairman. I think it is a good thing in our modern society that more and more we are beginning to assume our responsibilities toward our older citizens. It is, of course, the fortunate fact that people live longer nowadays, but for that reason a problem is created in that there is a longer spell of, shall we say, leisure life which must be provided for. As to these projects that have been mentioned in connection with old people's housing, may I say that we also have some of them in my city and my province, and that everybody is extremely happy about that fact.

I think an important thing is this. When something is being done in the nature of a project of this sort, somebody must start it. There must be local participation. I think that local participation should be encouraged. It is a fine project for service clubs and people of that sort. With regard to private homes, of course the private individual puts up the necessary money that Central Mortgage and Housing does not put up and the matter proceeds. But someone must take the lead in projects of the type mentioned here by two or three of the hon. members who have spoken previously. I want to stress the idea that encouragement should be given to local participation so that people will go out actively to start these projects which are, as I see it, one of the greatest needs of our modern society.

I am going to suggest to the minister that there is a way in which he could encourage such projects. I do not know his own opinion about the matter. I do not know whether or not he considers that these are good things. I know we did have a bit of a struggle to get some of them started, or to have some of them considered by Central Mortgage and Housing, but my suggestion is this. Where people are prepared on a local basis to go out and put up their own money through public subscription—let us say the Kiwanis Club come to me and say they want to get another of these homes for senior citizens started, am I prepared to give them $100 toward this project—I think that money should be considered as a charitable donation and should be deductible for income tax purposes.

I know the minister may say, as many ministers have a habit of doing when you get tied up with two departments, that it is the responsibility of the other department. I am well aware that the Minister of Finance has to be persuaded about this. I think the minister to whom I am now addressing myself has a responsibility, being in charge of housing, for bringing some pressure to bear on his colleagues so they will endorse that particular proposition. I know that a definite attempt has been made, and I know that in my city we are lacking one of these homes for elderly people today as a result of the fact that the government has not seen fit to agree with that particular part of my argument. I think if the ordinary private individual, professional man or worker, is prepared to put up a couple of hundred dollars of his own earnings in order to benefit the community in general and in particular that section of the community which is unable to help itself, that man should have consideration and the donation should be considered as a charitable gift for the purposes of income tax deductibility.

I want to be a little careful about the word "charitable". I do not want it to be understood that anything we do for these senior citizens who, certainly in our western provinces, have contributed so greatly to the wealth of this country, should be considered as charity, if there is indeed any stigma attached to that word. I merely use that expression because it is the technical one in connection with deductibility for income tax purposes. I would plead with the minister to collaborate with the Minister of Finance to see if that could be brought about. I think perhaps it would solve to some extent a problem which has been in the minds of many municipalities, particularly the cities throughout the country.

I have heard Vancouver mentioned, and I am surprised if the hon. member for Vancouver-Quadra has found that his municipality is unable to get this type of loan. I am sure my hon. friend's information must be correct. Was that my hon. friend's statement, that in Vancouver he has discovered it is difficult to get money for this particular type of home?

Mr. Green: The hon. member has asked me a question. I pointed out that eight months ago the city of Vancouver submitted a plan to the two senior governments, the provincial and dominion governments, for the construction of a 130-unit housing project for senior citizens, and nothing has happened. Mind you, there are other projects in greater Vancouver, some of them financed by churches or service clubs, but here was a case where there was a specific proposal put up which has been stalled and I am trying to find out whether it has been killed and just why this is so. It looks as if the dominion government is responsible.

Mr. Knight: I think my city has been more fortunate in that regard. We have not, as my friends suggested, these big places where a great number of people are isolated. Our projects are smaller and are scattered here and there throughout the city. The elderly people themselves are so happy about it. I am quite sure if the minister would follow our suggestion he would find a happy solution to the problem. I know of one particular case where they are just waiting to go out and fill up the subscription list if they could get the amounts made deductible for income tax purposes.

Mr. Philpott: Make the contributions through the churches and then take them off income tax.

Mr. Fleming: The minister's comments on the point raised by the hon. member for Vancouver-Quadra lead me to say something about it. The city of Vancouver has asked that steps be taken under the provisions of section 36 of the housing act to provide housing accommodation for elderly persons. The minister in his statement has taken the position that the proper way to handle a situation of that kind is by resort to the limited dividend housing corporation sections of the act. While on the one hand it is suggested that the provisions of section 36 should be used for the purpose, I take it that the policy view indicated by the minister is that if anything is to be done by way of providing special housing accommodation for elderly citizens it should be done by the use of the limited dividend housing corporation provisions.

The minister raises the further point that the idea of the segregation of elderly persons is not in harmony with the policy of the government in relation to housing for elderly persons. It is quite true that the limited dividend housing corporation provisions of the act have been used in a number of cases to provide housing accommodation for elderly persons. No doubt where that is possible it is a useful way of meeting the need, but it is quite evident that those provisions are not adequate to meet the entire need. There are many places where the local support, financial and otherwise, is not adequate to sustain the incorporation of a limited dividend corporation for such purposes. I would join my colleagues the hon. members for Vancouver-Quadra and Royal in urging that use should be made of the provisions of section 36 in such cases.

I cannot follow the minister's argument in relation to segregation of elderly persons. There certainly could be some forms of segregation that would be quite intolerable if applied to housing accommodation constructed under the provisions of section 36 or any other provisions of the act. "Segregation" is a baneful word and has many nasty connotations that I am sure are not in the minds of any of the hon. members in this house, but there surely is no reason in principle why housing accommodation should not be constructed specially for the use of elderly persons. I do urge that there should be an abandonment of any rigidity in the policy of the government in this regard. I do not think it is a case for a rigid policy at all. It is rather a case for the application of a policy designed to make the provisions of the act as effective as possible for meeting the needs that parliament recognized in enacting the provisions.

The needs of elderly persons are in many areas the most acute needs, and particularly those who have nothing to provide for their subsistence except the old age pension. I think the minister will agree that in the case of such deserving persons, if we are to wait until there are enough local resources and enough local initiative to make use of the limited dividend provisions of the act, then such persons are going to continue to suffer and will not have any opportunity of living in decency in their declining years.

Therefore, Mr. Speaker, I associate myself with the remarks of my colleagues and urge that the department and its agent, Central Mortgage and Housing Corporation, should not allow rigidity to characterize their approach to needs of this kind. The need is there; the need is paramount in the consideration of parliament. Parliament is not going to be niggardly or carping in its approach to questions of this kind. Let there not be rigidity because, it seems to me, in the face of considered requests such as those which come from the city council of Vancouver, what is needed is an understanding and a flexible approach, not a rigid one.

Mr. Herridge: Mr. Chairman, briefly I want to support the pleas of the previous speakers

for flexibility in the act to provide for the needs of our senior citizens; but I rise particularly to ask the minister a question. It has not to do with policy; it has more to do with purpose so far as this act generally is concerned.

In the city of Trail for a good number of years they have been plagued by the Canadian Pacific Railway track running through the centre of the city. Consideration has been given throughout the years to changing this situation, particularly in the Rossland avenue area. Plans have been considered for the redevelopment of this area, the relocation of the yards and the freight sheds required for the business people of the district in one particular place, and the removal of the necessary houses and their transfer to another location. At the present time this problem is being considered on the basis of financial co-operation between the city and Consolidated Mining and Smelting Company, with the Canadian Pacific Railway more or less looking after its own track removal and things of that sort.

Would a redevelopment scheme of that nature come under the terms of the amendments to this act at the present time? I am speaking of the relocation of the yards, the relocation of those persons who have to be moved from certain areas because of the poor type of buildings and the necessity to move them, and so on.

Mr. Winters: Mr. Chairman, there is a specific clause in this bill, namely clause 23, under which I think this could appropriately be discussed. I would refer my hon. friend to it so that he can peruse it and have its provisions in mind when we reach it. I think that a reading of the clause will answer some of the questions he himself has raised. If it does not, then I shall be glad to deal with it when we come to the section. We are on a specific section now, namely section 1, having to do with home extension loans, and we were diverted into a discussion of housing for aged citizens in Canada. I have just been asked to ensure that Central Mortgage and Housing Corporation does not become too rigid in its application of government policy. I can assure hon. members it will not.

I remind the hon. member for Vancouver-Quadra, who is mistaken in some of his statements—I am not too concerned about that because the general principles are the same—that when he says there is a proposal before us, there is not. This has been a matter of discussion, but no specific proposal has been put before us so far. The situation, as I said in reply to him, is that Central Mortgage and Housing Corporation as well as myself believe it is quite in order to house a percentage of senior citizens in any federal-provincial project. Generally speaking, and without being rigid about it, we think it is all right that about 20 per cent of the tenants of any such project should be senior citizens, and that has been a part of the policy of Central Mortgage and Housing Corporation. I have statistics which show that, as at the present time, the total percentage of senior citizens in relation to the total population—and when I say "senior citizens" I mean those over 65 years of age—is 7·73 per cent. As against that we are agreeing that it is quite in order to house up to 20 per cent of senior citizens in a federal-provincial project.

At the same time we say that if anybody else wishes to show the initiative that so many already have shown to develop limited dividend companies and obtain a loan from Central Mortgage and Housing, then it is their responsibility to house anybody they wish within the appropriate income range. They are simply the borrower, and they have all the rights and privileges of administering the project as they see fit and of housing anybody they deem desirable.

Therefore rather than discriminate against the senior citizens, which the hon. member for Vancouver-Quadra might have implied without actually saying so, I think quite the reverse is the case. I am quite sure that my colleague the Minister of National Health and Welfare could make quite a convincing statement and assert to the satisfaction of all members of the committee that the senior citizens in Canada have not been discriminated against but, on the contrary, the government has gone a long way in meeting the needs of this very worthy group of Canadian citizens.

Mr. Green: Mr. Chairman, that is all very well, but here we have one specific case. If the minister did not get a written application from the city of Vancouver, at least his officials have been discussing this particular project with the city for a matter of eight months. I am told by reliable people vitally interested in housing, and working on a community service basis on this problem, that this project has been submitted to the government; a 130-unit housing project for senior citizens at 47th avenue and Knight road in Vancouver under section 36 of the act.

Now, there is an actual application; and there is a possibility for 130 senior citizens to benefit if the project goes through. What I should like to know from the minister is whether or not that particular project can be approved by the dominion, or is he going

to follow the policy that not over 20 per cent of the people going into one of these projects can be senior citizens? If that is the case it is obvious that there is not the slightest chance of this plan which has been put up by the city of Vancouver becoming a fact.

I think that would be a great tragedy. The city is actually prepared to step into a plan of this type which will help 130 people, and I hope the minister is not taking the broad position, that he will rule against that plan because it is a plan exclusively for senior citizens. Apparently that plan has been worked out by the city of Vancouver in the belief that there is a need that should be met. Section 36 of the housing act obviously could be used for that purpose if it were not for this ruling by the minister which, with all due deference, is very rigid, since he said a few minutes ago that he will not allow more than 20 per cent of those living in one of those projects to be senior citizens. What is the minister going to do with regard to this particular project? It has been delayed now for a matter of months.

Mr. Winters: There is no official project before us.

Mr. Green: The minister himself said he had been discussing it with the council of the city of Vancouver.

Mr. Winters: We have been discussing general principles.

Mr. Green: What was the minister discussing if not this project?

Mr. Winters: The hon. member should not make such assertions.

Mr. Green: Does the minister say that he has never heard of this project?

Mr. Winters: Mr. Chairman, I understand that officials of the city have discussed a suggested proposal with Central Mortgage and Housing Corporation. They have brought it forward in the nature of a feeler to see what the reaction would be. There is no specific proposal. Nothing has come forward from the province, as is required under section 36 of the statute. I wish the hon. member would not mislead as much as he does.

Mr. Green: If a proposal to implement the plan I have been discussing were submitted, would it be considered by the government and would there be any chance of it being accepted?

Mr. Winters: How could I say when I have not seen it?

Mr. Green: The minister is just evading the issue.

Mr. Brooks: What cities and towns have made specific provision for this 20 per cent? I understood the minister to say that 7 per cent had been provided for already.

Mr. Winters: I am afraid the hon. member for Royal did not hear my statement. I said that the percentage of old people in the total population was about 7·73 per cent, and that as a general rule, without any of the rigidity which my hon. friend tries to associate with us, we have been telling the local housing authorities that we see nothing wrong with allowing up to 20 per cent of the total in any of these joint projects to be senior citizens.

Mr. Brooks: What cities have submitted plans to the department?

Mr. Winters: I would say that there are federal-provincial projects in about 50 cities across Canada.

Mr. Brooks: Is that to provide for older people?

Mr. Winters: Older people and other classes of citizens; not exclusively older people.

Mr. Brooks: Did the city of Saint John recently make application for accommodation for older people? I saw in the press some time ago that they had.

Mr. Winters: I have no knowledge of any proposal from the city of Saint John to house older people exclusively.

Mr. Ellis: Mr. Chairman, I have a comment to make regarding homes for senior citizens arising out of the comment made by the hon. member for Vancouver South in which he referred to islands of housing for older citizens and suggested that this was not a good policy. I suggest that the need for housing for senior citizens is very great and that the main thing is to get some form of housing provided.

In our own province we have recognized the advantage of getting away from multiple units, the institutional type of housing, and have provided more of the cottage style self-contained units. In answer to the inference drawn by the hon. member for Vancouver South and I believe by the minister, may I say that in my belief the main thing is to do everything we can to increase housing for senior citizens. They are the ones in the community who are generally unable to take advantage of the provisions of the act. Those who are working and with years of life ahead of them are possibly in a position to build homes, but many of our

senior citizens have no savings and are unable to pay the 10 per cent required by the act.

I think the main thing is to provide housing for senior citizens. I gathered from the minister that there was some hesitancy or reluctance about going too far in the provision of housing for a particular group of citizens, and those to whom he was referring were our senior citizens.

Mr. Bryson: Mr. Chairman, I should like to make one or two comments regarding the situation in Saskatchewan. There seem to be three points where there is a difference of opinion between the government and the people in Saskatchewan, but these points apparently are receiving further consideration by the department.

One point at which we were at variance was as to the number of hostel units and the occupancy of those units. As hon. members know, we in Saskatchewan have put a different interpretation upon the act and have been building hostel units on the basis of one hostel bedroom unit for every ten general units. That has been done under section 16 of the act and does not apply to other provinces. In spite of that we were restricted to a 50 per cent occupancy of hostel type units. We believe that should not be the case, and I understand the government is now giving serious consideration to the request of Saskatchewan. I hope the minister will look with favour upon that request.

The second point had to do with double occupancy of hostel units. Again I understand the government is giving serious consideration to this request.

We asked that June 1 as a cut-off date for applications for limited dividend type accommodation be extended until October 1. I understand that this request is being given serious consideration by the government.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Mortgage insurance fund.*

Mr. Hahn: Mr. Chairman, I was interested in the remarks made today with respect to senior citizens, and this subject formed the main part of my remarks during the debates on April 23 and April 26. During the debate on April 26 I asked the minister if there had been large commitments under the insurance fund, and he indicated that there had not. There are some other questions I should like to pose and a suggestion I should like to make in respect to the fund.

What is the present amount in the insurance fund? Is the fund in liquid form, or has it been paid out to other insurance companies? I understand from the minister's previous answer that there are no commitments, so it would appear that the fund is bigger than it need be. If the fund is in liquid form, and as the rate of 2 per cent on mortgages running up to a total of $1 billion would return something like $20 million a year, I would suggest that the money be reinvested in homes for senior citizens at reduced interest rates.

Mr. Winters: The fund stands now at something over $12 million. There have been no charges against it so far. It is liquid and is invested in government securities, the interest from which accrues to the fund under the provisions of the statute.

Mr. Hahn: Has consideration been given to reinvesting it in a scheme of homes for senior citizens wholly owned by the dominion?

Mr. Winters: No consideration has been given to that, and I think it would be difficult to carry out. This is an insurance fund to guarantee certain obligations, and I think we are under an obligation to keep it in liquid form so we can discharge quickly any commitments which might arise. The hon. member knows that a substantial change was necessary in the Bank Act before we could induce the banks to lend against the security of residential mortgages, and this is one of the provisions that made that possible.

Mr. Fleming: The fact is that the government could not lawfully use the insurance fund for the proposed purpose.

Mr. Hahn: I am satisfied with the statement of the minister that the fund must be kept solvent at all times and that my suggestion would require a change in the Bank Act, but I would draw to his attention that when making these particular changes—we know that we pay our senior citizens a regular income—that there could be an automatic charge on the old age pensioner in the way of rental and so continue keeping the fund itself solvent. Certainly, as it is indicated at this time that there is no demand on the fund we can only hope that conditions will remain such that the demand will not be too great and that the fund should not become too great in itself.

Therefore I contend that some consideration should be given to this other aspect of the reduction of the interest rate. I am not sure that the fund has been in operation long enough for the actuaries to determine whether a reduction could be contemplated at this time, but what consideration is being given to the reduction of this rate? Would the minister say that possibly the fund has not been in operation long enough to determine that at the present time?

Mr. Winters: I would say the latter is the case. We have obligations against the fund of over $600 million worth of residential mortgages, and I would be hesitant to do anything that would run the risk of making the corporation unable to meet any obligations that might possibly come against this fund. I do not foresee any. The Canadian economy is strong and the fact that we have had no charges against the fund now indicates that mortgages are in a healthy position, but I do not think $12 million to guarantee a total amount of over $600 million is too much at this stage of our experience.

Clause agreed to.

On clause 5—*Aggregate maximum of four billion dollars.*

Mr. Fleming: In clause 5 we have a provision that section 13 of the act is to be changed in order to raise from $2 billion to $4 billion the aggregate amount for which insurance is to be provided under the mortgage insurance fund scheme of the act. Would the minister give the committee a report as to how far the fund is committed, and how this figure of $4 billion has been chosen as the desired increased amount?

Mr. Winters: At the end of 1955 the figures I have indicate that commitments have been given of more than $1 billion, and that undertakings are being made at the rate of about $600 million a year. The present ceiling of $2 billion would be reached about the middle of next year.

Mr. Fleming: If the present rate continues, then, the new $4 billion ceiling would be reached probably around 1960?

Mr. Winters: That is right, because I thought it was logical that the ceiling should be set at such a level that the minister would be required to come back to the house during the course of the next parliament.

Mr. Fleming: I wonder if there should not be a little more control on the administration than that? After all, the doubling of this huge amount would mean, even if the present substantial rate of commitment continues, that the $4 billion fund would be ample to meet all current requirements at least until 1960. That means it would not be necessary in the ordinary course, so far as one can foresee, for the government to come back to the house for another four years.

I wonder if that is not too long, with a view to maintaining strict parliamentary control while at the same time affording every opportunity to make financial provision adequate for all foreseeable needs, and in that way to make the provisions of the act as efficacious as possible. I ask if it would not suffice to increase this already substantial total ceiling to, say, $3 billion. In the ordinary course that would mean that the $3 billion limit would be reached, say, about the beginning of 1959. Surely that is quite long enough when we are dealing with substantial amounts of money like this. After all, $2 billion is still a large amount of money, in spite of the astronomy that we resort to in this house at times in regard to expenditures and commitments.

I raise that point quite seriously, as to whether all apparent needs would not be fully provided for and at the same time more effective guarantees of parliamentary supervision and control preserved by making the new ceiling $3 billion instead of $4 billion.

Mr. Winters: I am sure the hon. member is aware that these figures we are talking about are not government expenditures at all. They are just ceilings of commitments by the lenders.

Mr. Fleming: But the principle of parliamentary control is involved. It is a question of commitment rather than expenditure.

Mr. Winters: I think parliament should have adequate opportunity to scrutinize the operations of Central Mortgage and Housing Corporation and its administration of the terms of this statute. The hon. member will see, as we get through the various sections of the bill now before us, that we are making provision to give parliament more scrutiny than it has had before of the operations under the statute, and particularly those provisions that involve the expenditure of moneys provided by parliament.

This is simply our authority to guarantee mortgage lending up to that level, and I personally am of the opinion that $4 billion is a reasonable figure in relation to our present commitments and the rate at which mortgage loans are being guaranteed at the present time. I might say to the hon. member that at the outset there was a feeling that the figure should be somewhat higher, but after we gave a great deal of consideration to this particular point we decided that $4 billion was reasonable in relation to the present ceiling of $2 billion and the rate at which loans are being guaranteed now.

Mr. Fleming: I do not think the point the minister is making is nearly as sound as he seems to think. What we are dealing with is the right to make commitments that are binding upon parliament, binding upon the public treasury. It is quite true that we are not dealing with expenditures. It is not as though we were voting money in the estimates for expenditures; nevertheless it is

clear that we are permitting the creation by this section of public liabilities.

Let me give you those figures briefly again. Already the commitments to December 31, 1955, amount to $1 billion. The present commitments are coming in at the rate of $600 million a year. The present ceiling of $2 billion will be reached in the ordinary course about the autumn of 1957. If an increase of another $1 billion is permitted, that at the present rate is going to provide for all foreseeable needs until the beginning of 1959, and I see no necessity for adding another $1 billion of possible commitment to that before the government must come back to parliament for review of this matter and to seek, if the conditions then warrant it, the right to increase these commitments.

We are dealing with vast sums of money here, and the right to make huge commitments binding upon the public treasury of this country. Surely we do not need to make a provision of this kind that far into the future. I press the point upon the minister that it is quite adequate and quite in keeping with the generous attitude the house has shown with regard to the provision of funds to assist housing under the various parts of the National Housing Act if we increase the ceiling from $2 billion to $3 billion instead of $4 billion. Will the minister not accept that suggestion?

Mr. Winters: Mr. Chairman, I do not think I can add to what I have said. In the light of the best judgment we could bring to bear upon the matter $4 billion seemed reasonable. I must say I thank the hon. member for his comments, but in our judgment we will stand on the $4 billion in the bill.

Mr. Vincent: Was any consideration given to the possibility of insuring the borrower instead of the lender? At the present time I think the lending institutions are well protected, but on the other hand if the borrower does not make his mortgage payments he can be foreclosed. If the borrower were insured his monthly payments would be insured. Therefore I do not think the fund would require to be as large because the government would not be called upon to pay bulk sums of money. Instead, the government would only be called upon to pay in cases where the borrower could not meet his obligations. It is not to be assumed that the borrower could not meet his obligations indefinitely, because after all we do not assume that the country would be in such a crisis that we would have to pay the monthly instalments for years to come. In other words, if foreclosure should take place, instead of the government having to pay $8,000 or $9,000 on a guaranteed loan, if the insurance were paid by the borrower for the borrower instead of being paid by the borrower for the lending institution we would arrive at a proper solution whereby the borrower would benefit from the insurance premium he has paid and at the same time the lending institution would be protected.

I do not think there is any lending institution in Canada that wishes to take back any property on which it has made a mortgage loan. They are not in the lending field for the purpose of engaging in the administration of property. They do not wish to take back property on which they have lent money. Consequently if we insured the borrower his monthly payments would be insured and at the same time the lending institutions would benefit and would be protected. Therefore we would not arrive at the improper situation where the borrower would have paid his fee and at the same time would face foreclosure after five or six months of non-payment on his part. Should some crisis arise in Canada we would be faced with an unfortunate situation whereby many people would have to vacate their homes after having paid a 2½ per cent insurance fee. The lending institution is protected but the borrower, the home owner, is not protected.

What consideration has been given by the government to this matter in order that the insurance will protect both the borrower and the lender? I think the limit of $4 billion would be sufficiently high, because we would not have to pay out bulk sums of money and put out on the street people who have already paid an insurance fee to protect their homes and mortgages.

Mr. Winters: The hon. member may recall that the former member for Spadina made a good speech in the house several years ago in which he advocated a program of equity insurance. That matter was explored very fully. The question is often asked why we insure the lender and do not insure the borrower. That is followed by a supplementary question as to what the borrower gets for the insurance premium he pays. The obvious answer is that he gets mortgage money which he would not otherwise get, so by paying the insurance premium there is assurance that he will get mortgage money.

That was the only basis on which the banks could come within the provisions of this statute, as my hon. friend is well aware. The other side of the argument has to do with just what is an insurance principle under the operations of this statute. There have been very few cases indeed of foreclosure, certainly not enough to make an equity insurance

principle one of general application, and since the 1954 statute was enacted there has been no call to charge against the insurance fund at all. Therefore it is a very difficult concept to think in terms of asking all borrowers under the statute to pay into an insurance fund to protect the relatively few cases out of all the thousands of borrowers who have had mortgage money under the National Housing Act.

I think the number who have been subjected to foreclosure would be much less than 100. In other words the percentage is negligible. Therefore that is also a consideration when one thinks in terms of an insurance principle and the charges that go with asking people to contribute to an insurance fund. In reply to the hon. member's specific question, the answer is that this matter has been given a great deal of consideration but that at the present time the government believes the insurance principle is warranted only to guarantee an adequate flow of mortgage money into residential housing.

Mr. Vincent: The life of such mortgages being 25 years, I think the principle should be studied still further and that some consideration should be given to the situation. Last year I spoke to the president of Central Mortgage and Housing Corporation, who is in the house today, and placed the problem before him. It may not be a very vital problem today or a measure that is essential at this moment, but I think we should look into the future and that the officials of C.M.H.C. should not just drop the question but should keep on studying the matter to see how the insurance principle could work in case it should be needed in the future.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Contributions to municipalities for clearance of substandard areas.*

Mr. Bell: I should like to refer specifically to the situation in Saint John. May I say at the outset that we have a difficult slum clearance problem there because of the fact that Saint John, New Brunswick, is the oldest city in Canada. We also had a fire which completely destroyed the city. The entire city had to be rebuilt and naturally the houses are all of the same age and at the same stage of depreciation. What general plans are being negotiated at the present time with respect to slum clearance?

I should also like to ask this specific question. In the city of Saint John I understand that the municipality is planning to investigate slum clearance and planning generally, and that they have asked some experts from Toronto to come to the city this summer and conduct a program in that respect. I was wondering whether the minister could say whether the costs of these experts, if there are costs, can be charged up to this section. I have just those two thoughts in mind, namely the general program and the specific cost of planning.

Mr. Winters: Under part V of the present statute we have made a grant to the city of Saint John to conduct a study of housing conditions there. The relationship is that the federal government pays 75 per cent of the cost of making the survey. I understand that it is either under way now or will be very shortly. Saint John has done quite a good job in public housing. They have an extremely active housing authority there. Several projects have been developed, all of which have turned out successfully, in my opinion, and have met a need. This is one of the places in Canada where I think good progress is being made in accommodating a class of citizens that perhaps otherwise could not have had the type of decent accommodation with which we have been able to provide them under the partnership arrangement provided by section 36 of the statute.

Mr. Ellis: In the explanatory notes of the bill I note the statement that the main part of the bill has to do with part III. I was wondering whether the minister could tell me how many projects were undertaken under the old part III, the part III that this act will supersede.

Mr. Winters: There have been only two cities in Canada that have taken advantage of the slum clearance section of the statute, although a good many cities, as I said before, have taken advantage of section 36 which is related to this matter dealt with in this bill before us now. The two cities that have taken advantage of the slum clearance section of the statute are Toronto, which has developed that large Regent Park North project, and St. John's, Newfoundland where a good job has been done in removing some of the slums that existed in that city.

Mr. Ellis: I was just trying to assess the result of the change suggested in this bill. I note that the main change seems to be in the formula under which the government will provide assistance to the municipality concerned. I note that under the present part III the government makes provision for a contribution based on the difference between the cost of the clearance and the eventual price realized from the project, and that under the proposed change the government will make the contribution on the basis of the over-all cost and will recover later.

My question is this. How will this affect the over-all contribution made to the municipalities? Will it have any effect—that is my point—or will it still mean that the government is making roughly a 50 per cent contribution under either formula?

Mr. Winters: I think the big contribution this section will make to the redevelopment of cities is in the end use of the redeveloped land. The present statute places a limitation on what the redeveloped land might be used for. This amendment opens that considerably. In many places where there is substandard housing it often happens that the area does not lend itself to redevelopment for housing purposes, as I said before in the house. I think that has been one of the obstacles in the way of civic redevelopment. We are saying now that redeveloped land may be used for its best purposes. That is spelled out in the section. It envisages that an area which is now given over for residential purposes can be used for commercial, industrial or other purposes, whichever is the highest use for which the area is envisaged in the over-all civic plan.

On the monetary side of it, the general formula is the same but the change in application I think is important. The old formula provided for a grant which was half the net cost of acquiring and clearing the land, and a grant was made after the operation had been completed. That meant that the municipality was obliged to finance the undertaking from the outset until final completion and to carry all the charges that go with financing. Under the bill now before us it will be possible for Central Mortgage and Housing Corporation to pay as the costs are incurred, and thereby relieve the municipality of quite a bit of the heavy onus of financing the project during the course of acquisition and clearance.

Mr. Ellis: Mr. Chairman, I can appreciate that slight effect, in that a municipality will perhaps be spared the carrying charges on a certain sum of money which under the present section it would be obliged to provide. However, I am concerned about the 50 per cent formula, because in answer to my previous question the minister intimated that there had been only two cities in Canada which had been able to take advantage of this assistance or which have seen fit to do so.

I hardly believe that cities in Canada are not anxious to avail themselves of any assistance. I am quite certain that cities throughout Canada would be most anxious to undertake projects of this type. I can only conclude that their failure to do so is based on their inability to finance their share of the cost. My suggestion therefore is that while the change will be of some slight benefit, I am not too certain that as a result of this new bill we shall get any substantial increase in slum clearance throughout the country. I hope I am wrong in that respect, but judging from the past record I think we have no real reason for believing that the municipalities are going to be in any better position now than they were a few years ago to undertake the tremendous burden of 50 per cent of the cost of slum clearance.

With reference to the statement made by the minister that under the new section, the removal of the limitation in the existing part III which requires that this land be used for low-cost or moderate-rental housing or for federal, provincial or municipal public purposes will perhaps provide a further incentive to municipalities to clear blighted areas, may I say that we are concerned about housing. While I say it is highly commendable that municipalities across the country should undertake the removal of blighted areas, nevertheless if they are simply going to reassign that area to commercial purposes, for example, we are still not getting to the heart of the matter, which is the provision of adequate low-cost housing.

I am just wondering now whether the minister really feels that the elimination of this previous restriction is going to assist—and I should like to know the manner in which it is going to assist, if he feels it is going to do so—the building of additional low-cost housing units in those cities.

Mr. Richardson: Perhaps before the minister replies to the hon. member for Regina City I might make an observation and ask a question. First of all, there may be some difference of opinion between the hon. member for Saint John-Albert and the Minister of Citizenship and Immigration, representing Bonavista-Twillingate, as to which is the older city in Canada, but certainly one who comes from Montreal as I do would believe that Montreal is the most mature city in Canada.

The question I should like to ask is whether, in view of the agreement which has been entered into by the three authorities in respect of the rehabilitation program in Montreal, there is anything we on the federal side may do to expedite the matter? The very fact that it has been brought about recently, does not that partly answer the question raised by the hon. member for Regina City?

Mr. Winters: Perhaps I might answer this question and thank the hon. member for St. Lawrence-St. George for his contribution.

I know he is interested in the so-called Dozois plan, which is one of the big projects for development under this section. The other large redevelopment now moving forward is Regent Park South in Toronto. I do think this section will overcome most of the barriers that have been in the way of civic redevelopment. I am sure my hon. friend from Regina City has cause to know that the problems are not always of a fiscal nature. In the city of Regina some time ago interests there favoured a federal-provincial housing project. Central Mortgage and Housing Corporation thought it had merit, but the local taxpayers themselves turned that down.

Mr. Ellis: Actually I campaigned for it.

Mr. Winters: Often it is the case that local problems dealing with civic administration or what might be called local politics are more severe than local financial problems. We found that to be true in many municipalities across the country, and it is quite understandable. I have no criticism to make of civic administrators who find great difficulty in uprooting citizens who have lived in a certain area for a long time, in demolishing their homes and having them go to live elsewhere. Sometimes these problems have been so severe locally they could not be overcome regardless of the financing arrangements we might have made.

I think this new approach to the financing problem will help in so far as financing is an obstacle in the way of redevelopment. The hon. member made an observation as to whether or not we were really coming to grips with housing rather than redevelopment for commercial and industrial purposes. The answer is that we have tried to keep squarely before us that this is a measure to assist housing. If the hon. member will read the various sections of the clause, for example paragraphs (c) and (d), he will see that great emphasis is placed on housing. In fact paragraph (d) says specifically:

> A substantial part of the area at the time of acquisition was, or after redevelopment will be, used for residential purposes.

Paragraph (c) delineates even more specifically the government's intention that there shall be adequate housing for those people who are displaced through any redevelopment.

As to the Montreal plan, there has been a proposal made to us by the city and I understand that a statute of the provincial government of Quebec has authorized the city to act as its agent in entering into a slum clearance operation with us under section 36. I would imagine that under provincial statutes there will need be an order in council. We have no knowledge that the order in council has been passed. There has been no direct communication from the Quebec government to the federal government to indicate that they have authorized the city to act as its agent. But as I said before, I do not see any barrier that will develop there. The proposal is with us now and we are giving it very careful study. I assume that whatever steps will need to be taken as between the government of Quebec and the city of Montreal will be taken so this project can go forward without any delay.

Mr. Vincent: I would not like the opportunity to pass without saying a few words on part III, because I happen to be representing a constituency which really needs housing redevelopment. I think the minister is aware that within the last month or so Central Mortgage and Housing Corporation have opened an office in my constituency. I must comment very favourably on the outcome, and on the achievements of Central Mortgage and Housing Corporation, especially in the constituency of Longueuil which needs redevelopment. We have made great strides. During the four years before the new act came into force approximately $7 million worth of loans were made in all seven municipalities in my constituency. In the past two years this amount has risen to $8,500,000, and municipalities which previously had not obtained loans have obtained loans under the new act. I think that in this respect Central Mortgage and Housing Corporation and the National Housing Act, 1954, have really played a big part in housing in my area.

Nevertheless I think the problem of housing redevelopment is still very acute. We have, for example, in the city of Jacques Cartier a population of approximately 38,000 people. Up to a year ago the city unfortunately did not have sewage or water facilities. Now the population has spent about $12 million and has a proper sewage and waterworks, so they are ready for a real redevelopment program. Consequently I hereby advise the minister we will be knocking at his door to have some plans approved for slum clearance and the replacement of substandard homes by new homes. Certainly the city will take advantage of this act in order to develop a plan whereby the present situation will be cured.

Before sitting down I should like to know from the minister how the estimates of the cost of acquisition of land and clearance of the area are arrived at. In other words, who does the estimating and how are those estimates made?

Mr. Winters: The hon. gentleman's question was who makes—

Mr. Vincent: Subsection 4, paragraph (a) says:

> An estimate of the costs of the acquisition and clearance of the area;

On what basis is the estimate made and who makes it?

Mr. Winters: If the project develops along the pattern that has prevailed so far, a committee is set up composed of representatives from the levels of government concerned. In Toronto it was the civic, the provincial and the federal government levels. They constituted a committee and made estimates. In Montreal, where the provincial government indicated to the city that it would be empowered to act as its agent, there was a committee with membership from the city of Montreal and Central Mortgage and Housing Corporation. The estimate was compiled under the general supervision of that committee. The initiative in the first place must come from the civic authority, as my hon. friend can well appreciate. The bill provides that it must be done with the knowledge and authority of the provincial government concerned. So I would imagine the city authorities would be communicating with the provincial government, and then it normally flows through that channel to Central Mortgage and Housing Corporation.

Mr. Herridge: Mr. Chairman, I asked a question on section 1 and the minister advised me to read section 23. Well, I have read it two or three times and I am not quite clear as to the interpretation; therefore I am going to repeat my question. I said the city of Trail has been concerned about removing the tracks of the Canadian Pacific Railway, which pass through the centre of the city, to a location at the north-west end of Rossland avenue, removing certain houses, some of which are not quite good and others not so suitable, making a yard at the end of Rossland avenue for the unloading of freight and the building of warehouses, and so on.

This matter has been very carefully gone into and it is suggested that the relocation of the tracks, the building of the railway yard and the provision of warehouses, and so on, could be provided for by co-operation with the city and financial assistance from the Consolidated Mining and Smelting Company and the Canadian Pacific Railway.

My question is this. Would this section apply under those circumstances; that is, would any agreement be affected by the fact that the company was willing to bear a share of the cost and the Canadian Pacific Railway the cost of moving the tracks and doing certain things in connection with the yards? Will the minister explain to the committee what procedure the municipal council should adopt in making representations with respect to the use of this section?

Mr. Winters: Mr. Chairman, it is pretty hard for me to sit here in Ottawa and judge whether or not a project in Trail could qualify under this statute. I do not know enough about the local conditions. There are certain elements about it, however, as expressed by the hon. member, which would raise doubts in my mind as to whether it could qualify. On the other hand he said that part of the area is now given over to housing which needs to be redeveloped. Perhaps that part could qualify. We would have to make a study. I presume the city of Trail would be prepared to initiate some investigation as to whether the project they have in mind could qualify under the statute. I refer the hon. member for Kootenay West particularly to paragraph (d) of clause 23, which reads:

> A substantial part of the area at the time of acquisition was, or after redevelopment will be, used for residential purposes.

We must keep in mind, as the hon. member for Regina City said, that this is housing legislation.

Mr. Herridge: I wish to mention that the Minister of Fisheries visited Trail recently and I think raised their hopes considerably, which is quite normal procedure for cabinet ministers. What should I suggest to the council? Should I suggest that the council would be well advised to present the whole scheme to Central Mortgage and Housing Corporation?

Mr. Winters: Yes, I would suggest that.

Mr. Ellis: Mr. Chairman, I referred a few moments ago to the removal of the limitation which exists in part III where slum clearance is a factor in the agreement between Central Mortgage and Housing Corporation and the municipality. I was quite aware, as the minister pointed out to me, that 3(b) and 3(c) in particular of section 23 refer to the fact that where the buildings in an area have to be torn down and the area made available for perhaps industrial purposes, or whatever purpose the municipality sees fit to use it for, alternative accommodation must be provided to those who are dispossessed at reasonable rents.

I note that the section calls for provision of this housing through either sections 16, 19 or 36; but I suggest that if the municipality is going to pay 50 per cent of the cost of slum clearance of a blighted area, and then be called upon to make a contribution with respect to construction of low-rental housing,

presumably under section 36—because certainly it is difficult to believe that under the other sections housing could be built, which would provide for the needs of people who are in those blighted areas—I think the minister realizes that limited dividend corporations are not going to charge the type of rents that the people who are now living in blighted areas can afford to pay. I know rents in the limited dividend housing dwelling units—low-rent housing they call it—are often in excess of $60 a month. Certainly people living in slum areas in our large cities are not going to be able to pay that amount of rent. Therefore I suggest it will have to be brought about under section 36, in which case of course the municipality is again going to be making its contribution.

Now, in the event of slum clearance, if the houses on that land bring a sufficient return to exceed the cost of the purchase of the land, it means that the municipalities are going to be put to an extra expense. I am trying to make my point quite clear. If the municipality went ahead under section 36 I am suggesting that it might well be that under subsection 3 of section 23 of part III of the act the municipality would find itself in a position where it was paying more as a result of the diversion of this property to industrial or commercial purposes. Perhaps the minister can reassure me on this point. This is the doubt that exists in my mind at the moment.

Mr. Winters: I feel that the municipality has a great deal to gain from these projects. It almost invariably develops that the land redeveloped produces more revenue than it did previous to the redevelopment. I believe that when municipalities make detailed studies they will find that they are the level of government which really stand to benefit most directly from any of these redevelopment projects. And rather than having the weight of the financial burden bear on them I think they are in a very favourable position to benefit from those redevelopment projects.

Mr. Regier: Since I noticed that these amendments would be before us today I looked up what the minister had to say at page 3332 of *Hansard*. I should like to read what he said:

> . . . the Liberal aim, namely, to provide adequate housing for every Canadian.

Then I read on in his comments, and I am going to relate this to part III in a very few moments. He pointed out that the average down payment in 1955 was $2,821. He further indicated that in 1955 some 490 loans had been made to people whose income was under $3,000. When we consider that the average down payment is $2,821, and that out of 100,000 housing units fewer than one-half of one per cent were purchased by those whose income was under $3,000; and when we consider that there are more people in Canada whose income is under $3,000 than those in excess of $3,000, I think the minister will agree that we are not providing as much housing for the people of Canada who really need the housing as both he and the rest of us, I am sure, would like to see us provide. I feel that the act is in effect being used to help build houses for people many of whom would be able to build their own houses without assistance. So far as that statement is correct the whole act is falling short of its original objectives.

We now have part III, which is headed "Urban Development". I do not intend to express any opposition to the proposed amendments, but I do feel they will take away our attention from what the real purposes should be. I realize that this new part will serve a useful purpose. We on the lower mainland can certainly use it if we can persuade our ratepayers to co-operate. However, I feel that an extensive use of this new part and the leeway which is to be granted will take away our attention from the real need, that is the providing of more housing for people in the low income brackets.

I do not know what all the answers are, but I do know the local government is expected to take the initiative under the new part. What does that involve? The minister referred to the citizens of one Canadian city who were faced with a plebiscite and who voted out a proposed redevelopment scheme. I can sympathize with the local taxpayer who resents the taxes on his home being increased in order to meet an obligation which he feels should be assumed by society as a whole and not be the direct responsibility of the real estate which he owns within that municipality.

I know the minister is anxious at all times to expand home construction, and I feel that perhaps the provincial governments are more to blame than the municipal and federal governments. I should like to ask the minister whether any efforts have been made by his department to persuade the provincial governments to assume more responsibility, to carry on a little more education and to make it easier for the municipal people to endorse redevelopment undertakings?

Has the department made any effort to induce the provincial governments to assume more of the initiative? I realize it is hard for a department in Ottawa to assume much

of the initiative in removing a blighted area in a city perhaps thousands of miles away, and which may not be of such immediate urgency in Ottawa as it is back home. Yet the taxpayer back home feels he is being overloaded; he does not want to take the initiative, and the provincial government places the blame on the municipal and federal governments. Have any efforts been made along these lines?

Mr. Winters: Yes. I am sure all hon. members are aware of the section of the British North America Act which makes property and civil rights a provincial responsibility. Housing and property associated with housing are clearly matters of property and civil rights; therefore the provincial governments have a definite responsibility where the housing of their citizens is concerned. I think generally speaking all provincial governments recognize and accept that responsibility.

When section 35, now section 36, of the housing act was being developed in 1949 I visited every provincial government accompanied by the then president of Central Mortgage and Housing Corporation. We had a number of discussions with the appropriate ministers about housing and about what could be done to house the class of people who could not normally contemplate their own houses under the home ownership provisions. I found there was quite a keen interest on the part of the provincial governments, which has manifested itself to a considerable degree in the utilization of section 36 of the present statute.

Apart from that we are in constant communication with the provincial governments. A warm and friendly relationship obtains between Central Mortgage and Housing Corporation and the various provincial agencies. There is a quite active and close co-operation, but I think this is a matter in which the local citizens could play a prominent role. They should try to assume a measure of responsibility and initiative and to create an awareness by the proper level of government of the need for doing something in these fields, where private citizens are not capable of building or owning their own homes.

Mr. Regier: If I may pursue that a little more, I believe the other day the minister listed the Canadian cities in which blighted areas had been redeveloped. Is there a provincial government in Canada which has paid more than the municipal government in the carrying out of such redevelopment schemes? I realize the federal government pays a portion of the cost and assumes some responsibility for losses that may occur in connection with the operation of such a scheme. Is there any provincial government that is offering to its municipal governments that it will pay more than the municipal government will be asked to pay? If so, what are those provincial governments?

Mr. Winters: The sharing between the municipal and provincial governments seems to vary from province to province. For instance, in connection with the project at St. John's, Newfoundland, the provincial government has paid a full 25 per cent of the cost. Regarding the other big slum clearance development in Canada, Regent Park South, the provincial government paid $1,000 per unit whereas one-half the cost of acquiring and clearing the land, which was paid by the municipality, would be of the same magnitude. In addition the municipal authorities stood the cost of building the project over and above the $1,000 per unit. That is all the information I can give the hon. member, because there have not been any other slum clearance projects in Canada. I hope this legislation before us now will stimulate further activity in that field.

Mr. Regier: Would the minister have information about the large housing development in Vancouver that was built under Central Mortgage and Housing Corporation auspices? What was the relationship between the two levels of government there?

Mr. Winters: In the Little Mountain project?

Mr. Regier: Yes.

Mr. Winters: The federal government paid 75 per cent as provided by the statute. To the best of my knowledge, the municipal government and the provincial government divided the remaining 25 per cent equally, paying 12½ per cent each.

Mr. Ellis: I wonder if the minister has any information on the relationship between the cost of clearing blighted areas and the value of the land after the clearance had taken place on the two projects to which reference was made a short while ago.

Mr. Winters: What is the question?

Mr. Ellis: I was asking the minister if he could state the relationship between the cost of clearance of the two blighted areas that were discussed a few moments ago—I believe one was in Newfoundland and the other was the Regent Park North project in Toronto—and the value of the land. I would like to get the relationship between the cost of the clearance and the value of the land if it is going to be used for industrial purposes.

Mr. Winters: In Regent Park North, which is the one developed so far, the end value assigned to the cleared land was $1. I have forgotten for the moment just what the arrangement was in Newfoundland. I am not sure I fully understood just what the hon. member is seeking to find out.

Mr. Ellis: A few moments ago the minister suggested that municipalities would be in a stronger position as a result of this change in that the blighted area, when it is cleared of buildings and made available for sale for perhaps commercial or industrial purposes, is going to yield a sufficiently high price that the municipality is going to benefit, and I presume the government will benefit to the extent that under some circumstances it is not making any grant at all to the project.

Mr. Winters: I am still not quite clear. Perhaps the hon. member and I could have a private chat about this. Normally when the land is redeveloped its value is higher, as in the case of Little Mountain, where the property as it stands now is much more valuable than before the housing project was built.

Mr. Ellis: That is the information I wanted. I wanted to know whether the minister could give some specific information. He has made some generalizations, but I would like to know if he has something specific.

Mr. Winters: I have no specific figures of land values before me.

Clause agreed to.

Clause 8 agreed to.

On clause 9—*No liability after loans aggregate* $200,000,000.

Mr. Fleming: In clause 9 we have another of those clauses in which the amounts provided for in the existing act are being increased. This time the aggregate amount provided by section 26 for guaranteed home improvement loans and guaranteed home extension loans is being increased from $125 million to $200 million. I wonder whether the minister could give the committee the figures upon which this increase has been calculated?

Mr. Winters: Under this section so far we have insured over $30 million of loans. I expect that with the higher level of loan we are going to make possible, if parliament approves this bill, the rate of home improvement loans will run considerably higher, and we estimate that the ceiling here would be reached at about the same time as the ceiling for insured loans, which we discussed a few moments ago.

[Mr. Ellis.]

Mr. Fleming: I do not wish to repeat what I said on the earlier clause. The significance of the minister's answer is that the amount now proposed, namely $200 million, will provide all the requirements of the Central Mortgage and Housing Corporation in this respect until the year 1960, in other words four years in advance. I think that is too long a period for parliament to be making provisions of this kind in advance. I believe we shall maintain parliamentary control much more effectively with a shorter period than the one contemplated. A period of four years is too long in provisions of this kind. I think it is altogether desirable that there should be more frequent parliamentary review in regard to such financial provisions. The minister was not prepared to accept my suggestion in discussion of the earlier clause, and I take it he is no more amenable to persuasion on this one, seeing that the dates contemplated in both sections are approximately the same, but I wish to repeat what I said in the interests of strict parliamentary control.

Clause agreed to.

Clause 10 agreed to.

On clause 11—*Limitation.*

Mr. Fleming: In clause 11 we have a provision extending the time within which proceedings may be instituted for an offence. Whereas under the present section the limitation period is six months, under the new clause it will be three years. I should like to ask the minister what experience has given rise to this proposal.

Mr. Winters: There have been experiences where, in connection with false statements made in obtaining a loan, six months has proved too short a period to allow the bank to catch up with the statements. It seemed to the corporation that in the interests of good administration we needed a longer period than six months to overtake the fraudulent efforts that occur from time to time. Six months is a rather short period, as the hon. member well knows, and in the several instances when it needed to be applied it has proved too short.

Mr. Fleming: I can follow the minister on that, but he has not told us why it needs to be three years. In the particular case to which he refers, within what period was discovery made of the alleged fraud?

Mr. Winters: The official of the corporation informs me that three years is the period they consider necessary in the light of the experience they have had, and also in the light of the longer risk period that we are providing for in the bill before us now.

Mr. Fleming: That does not answer the question. The minister purported to base his earlier observation on some specific experiences of the discovery of the evidence of fraud. What was the period in the particular cases within which the evidence was discovered?

Mr. Winters: I am told that in one instance a period of some eight months had elapsed, and in other instances there has been a longer period, but I have no specific information before me now as to just what the periods were in the cases we have had.

Mr. Fleming: I do not require greater persuasion to believe that the period of six months is short and should be enlarged, but I think the committee has been left quite in the dark as to why the period should be enlarged to three years.

Mr. Winters: Another reason, as I said, is that under the present statute the term of the loan is three or five years, depending on the amount of the loan. We are extending the period of the loan to ten years which, it seems to me, has some bearing on the argument I am advancing that we should be allowed a longer period for overtaking these attempts at fraud.

Mr. Fleming: It is a little hard to see what the length of the loan has to do with the period within which any fraud should be discovered. What possible relationship does the minister see between those two factors?

Mr. Winters: Mr. Chairman, as I said at the outset I am basing my reply on the experience of Central Mortgage and Housing Corporation.

Mr. Fleming: But their experience falls so far short of what you are asking.

Mr. Winters: Just in that one instance where it was eight months against the six months allowed now, but there have been other instances where they have not been able to overtake these attempts in that time. In the light of their experience they believe they need three years to achieve effective administration of this section of the act.

Mr. Fleming: Mr. Chairman, with all respect for the judgment of the officials, I believe that is a quite inadequate reason for making a change in the statute law of this country, and I think we should be given some better reason. As I have indicated, I do not require a great deal of persuasion to yield to the suggestion that the period should be increased from six months, but we have had one case only, apparently, where the period of limitation prevented prosecution. In that case the alleged fraud was discovered eight months after the period of limitation began. That is no reason at all for extending it to three years. I think it is quite evident from the minister's last answer that the suggestion that there is any connection whatever between the length of the loan and the length of the period within which the officials of the corporation ought to be able to discover fraud, if there is any, is just too far-fetched to have any bearing.

Unless there is some better reason for extending the time I do not think the minister has made out a case at all for extending it to three years. The Minister of Northern Affairs and National Resources has had a good deal of experience in a professional way with the criminal law. I think he would not be lightly disposed to support a lengthy increase in the period of limitation in a section like this without some better reason than has been given. Surely what we want here is to maintain and keep before the officials of the corporation at all times their duty to be vigilant and alert, and if the impression gets around that there is plenty of time and that they do not need to worry because they have three years, I do not think this sort of provision is going to keep before these officials the necessity for being vigilant and alert.

Surely what we want in this respect is twofold. First of all we want the sanctions of the law there to restrain potential lawbreakers from breaking the law. In the second place we want effective and early enforcement so that if there are wrongdoers who do break the law those who are charged with the responsibility for enforcing the law are going to be swift in the discharge of their duty in executing the law; and surely to give them a nice comfortable feeling that they have three years to work on is not going to achieve the kind of results that we as a parliament should be seeking.

Mr. Lesage: I have one observation. Why should parliament give to the man who is guilty of fraud the comfortable feeling that if he is not caught in one or two years he will get off the hook? That is what my hon. friend proposes now.

Mr. Fleming: No, it is not.

Mr. Lesage: That is what I understand he proposes now. After all, why should a man guilty of fraud under this section—I understand it is a question of fraud through false statements.

Mr. Fleming: It is offences under the section. We have talked about fraud.

Mr. Lesage: When it is a question of false statements and fraud it is quite possible it will take more than seven or eight months.

It may take a year and a half or two years. I believe it is only reasonable to make the period three years. Why should a man who is guilty of fraud get off the hook because it has taken more than six months to discover his fraud? I do not believe that is reasonable; and from the experience I have had, as my hon. friend knows, I believe that under the circumstances three years is a reasonable limitation.

Mr. Fleming: Let us bear in mind that we are dealing here with a section which has been in effect and which has set the period of limitation at six months. That was put forward by the government. Let there be no question about where the responsibility lies for the idea as to the length of the period of limitation. This was put forward as government legislation and presumably the government was satisfied at that time to set a period of six months on the limitation of prosecution in offences of this kind. As I understand it, the reason for setting a period of limitation is to impress on those who are charged with the responsibility for enforcing the law the need for being alert and vigilant.

Mr. Lesage: That is the reason.

Mr. Fleming: Yes, and it is a very good reason. Apparently it was good enough to commend itself to the government in putting the provision in the legislation in the first place, and good enough to commend itself to the judgment of all members. Now the period is to be considerably enlarged. Nobody wishes to make the role of the lawbreaker any easier or the problem of the law enforcement officer any more difficult. Wherever there is wrongdoing we wish to see it discovered and those responsible dealt with properly, but I think we are all very conscious of the necessity of keeping before those who are charged with the responsibility of enforcement the duty of being alert in the discharge of their duty. It strikes me from what we have been told today that three years will give the officials a very comfortable feeling.

Mr. Hamilton (York West): I feel that if a change such as this is to be put forward by the government the minister should be in a position to tell us how many prosecutions have been launched under the section and how many prosecutions were not launched because the time limit provided now had expired. Unless we have such information I do not think it is fair to any of us to have to make a decision whether this is a proper period of time or whether it is not.

I am not directing these remarks in any particular way, but I am always a little surprised at how soon after people in the legal profession come to this chamber they become administrative-minded and begin to think about how much easier it would be for the department to carry on with a little extension of this type.

I am not thinking of people who are guilty and who are going to get some benefit out of this. I am thinking of the numerous people who are put to the trouble of a defence under a section of this kind and in many cases are found innocent. As a matter of fact I am reminded that sometimes the evidence is lost in the meantime and witnesses are not available because of lapse of time.

Mr. Lesage: There is no limitation for most offences under the Criminal Code.

Mr. Hamilton (York West): That may be so; but if we have a continuation of this type of legislation then I assume that we will have a general extension in all types of legislation. Therefore I say I really feel that the minister should have statistics which will show how many prosecutions have been launched, when they have been launched, and how many have not been launched because of failure to come within the period of time set out here.

Mr. Winters: I am sorry, but I do not have those statistics before me. However, as I am sure hon. members know, Central Mortgage and Housing Corporation does not become aware of this condition until the banks inform them of it, and there is usually a lapse of time in that connection. The banks themselves may not know of misrepresentation until a default occurs, and this may not occur till many months after the offence. I do not wish to ask for a longer period than seems reasonable under the circumstances. The officials of Central Mortgage and Housing Corporation, from their experience in the administration of this section, have informed me that in their best judgment three years is a reasonable time in tracing down these cases of false statement and other frauds which come to us, as I am sure hon. members know, through the banks. The cases do not come to us directly in the first instance. A sufficient space of time must be allowed so these matters can develop and then be referred to us by the banks when they become aware of the false statement or fraud.

Mr. Fleming: I do not wish to prolong this discussion, Mr. Chairman, but I wish to make this concluding observation. I intend no disrespect for the officials of Central Mortgage and Housing Corporation when I say this. I would have the same observation to make about any government officials, or at least about their judgment, if a similar statement

were made by any minister in advocating any legislation that he was asking the house to pass.

When ministers come before the house asking the house to approve legislation we ought to have something more than simply a statement that the officials, in their experience or in their judgment, think this is the kind of legislation that parliament should pass. Parliament has a more far-reaching responsibility than that. Whatever the opinion of the officials may be, what parliament wants is the information upon which the officials reached their judgment. Parliament may or may not arrive at the same conclusion as that arrived at by the officials. It is not enough —indeed it is far from being enough—simply to be told that the officials have arrived at certain conclusions. The officials may or may not have taken into account all the factors that parliament may think ought to be taken into account. The officials may or may not have attached to the various factors the weight that parliament, with its experience, thinks ought to be attached to them. If we are to be asked to support legislation of this kind, I think we want more information given to us than we have been given here this afternoon; and in particular we want something more than just to be told that the officials, in their judgment or in their experience, think that a three-year period is required.

Mr. Vincent: Mr. Chairman, I do not think the period has been extended just in order to give the department more time in which to look into the fraud situation. I think it has been extended in order to impress the borrower, so that he will feel responsible. If a fraudulent borrower feels that within six months he may be caught but after six months he is free, he will not be too scrupulous with regard to his business dealings. He will feel that by waiting six months he can get away free. But if he feels that the department has three years in which to catch up with him, he will be more careful with regard to his actions.

I think that is the reason the period is being extended to three years. I do not think it is in order to give the department more time. I think it is in order to impress the borrower with the fact that there is a period of three years during which he can be caught up with. I think the period of three years is all right.

Mr. McIvor: No one knows as much about the act as do those who are required to put it into practice. I think we should listen to their advice.

Mr. Hamilton (York West): Mr. Chairman, we like to hear their advice and I think that is what we are here for. They should be here with the information, and should give it to us directly, not on the basis that they have come to some conclusion. In this respect I am a little disappointed that we do not have the statistics we should have in order to make an adequate decision.

Mr. Fleming: Surely the hon. member for Fort William is not suggesting that we should abdicate our legislative function to the officials?

Mr. McIvor: Certainly not.

Mr. Fleming: Why must we accept their judgment without knowing the grounds upon which they have arrived at it?

Mr. McIvor: I have seen a mechanic on a machine that was extremely hard to run. After he had run it for a year he know more about it than did the people who bought the machine.

Clause agreed to.

On clause 12—*Home improvement loan insurance fund.*

Mr. Regier: This clause deals with insurance on home improvement loans. What I should like to ask applies as well to insurance on the ordinary National Housing Act loan. The complaint that is so widely made is that this is one-sided insurance, that it is insurance for the lender while there is no insurance for the borrower.

In some other debate—I believe it was at the time of consideration of the minister's estimates—I mentioned the fact that there was a feeling that the department should be able to arrange, with relatively little inconvenience, an insurance scheme which would be a little more extensive than the present scheme and which would provide protection for the borrower as well as for the lender. I had in mind particularly mortgage insurance, so that if the purchaser, or whoever had the home improvement loan or the N.H.A. loan, should pass away, the mortgage would be paid off; not the company paid off and the family lose the home.

I wonder whether the minister can tell us whether his department has given any consideration—either a year ago or recently when they drafted these amendments—to the possibility of extending the insurance feature in that respect. If so, what conclusion was arrived at?

Mr. Winters: Mr. Chairman, I have already answered that question. I answered it when it come up under another section. I think it was when we were discussing matters of general interest.

Mr. Regier: In that case I will read it in *Hansard*. I was obliged to be absent from the chamber for the purpose of attending a meeting.

Clause agreed to.

On clause 13.

Mr. Herridge: I should like to ask the minister this question. Suppose a municipality had a rather peculiar and difficult problem something like the one I suggested previously. Under this section can they call upon your people to come in, look it over, advise them and make a study of it?

Mr. Winters: This is the section under which I think it would be appropriate for them to approach the corporation in that regard.

Mr. Herridge: Thank you.

Mr. Regier: Would this be the section under which a municipality might ask the federal government to undertake the study of housing conditions where people live on land owned by the federal government or on water that is under the jurisdiction of the federal government, and whereby a municipality might be able effectively to invite the federal government to do something about these slum areas that are definitely under federal jurisdiction?

Mr. Winters: Before answering that question I would have to know more about what the hon. member has in mind.

Mr. Regier: I am sure the minister has had representations made from Vancouver at various times with regard to people living on the flats. They are living in Burnaby as well. They live on federal government land. Many of them live in houseboats. Some of the conditions under which these people are obliged to live—and I am not blaming those people—are beyond description. I believe on a number of occasions appeals have been made to the federal government to assume its responsibility and supply these people with more adequate housing, but no action has ever been taken or no responsibility has ever been assumed by the federal government. On looking over this section, I might say that it looks as though it would be a wonderful section in that it would provide the municipality with a vehicle for appeal to the federal authorities. Am I right?

Mr. Winters: I do not see any reason why, quite outside the terms of the statute, the municipality could not bring that problem to our attention if it is one for our jurisdiction and responsibility. I shall be glad to bear in mind what the hon. member has said.

Clause agreed to.

[Mr. Winters.]

Clauses 14 to 17 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

NORTHWEST TERRITORIES POWER COMMISSION ACT

AMENDMENTS CHANGING NAME, AUTHORIZING SUPPLYING OF OTHER UTILITIES, ETC.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources) moved the second reading of Bill No. 250, to amend the Northwest Territories Power Commission Act.

Mr. D. S. Harkness (Calgary North): Mr. Speaker, I made some general remarks in regard to this bill during the resolution stage, so I shall have very little to say at the present time. However, after having received the bill and studied it to some extent I have been wondering about the position of possible private operators who may wish to establish public utilities of any sort in the Northwest Territories and the Yukon. An examination of the bill by no means makes their position clear.

I am wondering particularly whether the bill as drawn places what will now be known as the Northern Canada Power Commission in a position where it has complete control of public utilities of any kind in the Northwest Territories and the Yukon. In other words I am wondering whether it is possible for a private company or individual or even a municipal district to establish a public utility of any sort except with the consent of the commission and under its control. That is the one general point which I thought perhaps I should mention, and perhaps we might have some explanation from the minister.

Mr. W. G. Dinsdale (Brandon-Souris): I did not have an opportunity to make a contribution to this debate when we were at the resolution stage, Mr. Speaker. It deals with an item of tremendous importance to Canada, because I feel that the bill before us, which is an attempt to broaden power development in our north land, is perhaps one of the most important steps that could come before this house.

In recent months there has been renewed attention given to development in the northern part of Canada. This has largely resulted from the fact that we have been building up our defence resources in the north, as far north as the extreme Arctic area. I think it is only fitting that we should try to bring the right balance to bear upon the subject by shifting the emphasis to activities that will

have more positive results, the general problem of development in northern Canada.

In a statement to the royal commission on Canada's economic prospects the subject is summed up very nicely. In referring to the matter of the development of Canada's northland, the writer of this note used the following words; he was comparing the extent of development in northern Canada to similar development in the northern regions of the U.S.S.R.:

> Canada has not done as much. This is not a reflection of discredit. Our population is much less; we have had an enormous work of development in the south; and our belief in private initiative and freedom of enterprise has caused us to refrain from the policies of government direction and control that have determined the lives and work of people in the Soviet union. We must, however, be fully alive to the importance of our northern frontier and of the resources—many known and many as yet unknown —that lie within it. It is not necessary, nor, it is submitted, is it at all desirable, for us to wait inertly for economic forces alone to set the terms and the pace of our action. Entirely in line with sound economic progress, a great deal can be done by national policy to hasten and extend our northward development. In a region as vast as the Canadian north, with problems of distance and climate, developments cannot occur with the speed they do in smaller countries or in the southern part of Canada. If we are going to want and to need the resources of our northland in 10 or 20 years, the time to begin the work of getting them is now.

I feel, Mr. Speaker, that quotation sums up very precisely the attitude this parliament should take toward the development of that northern part of Canada. Now, the bill we have before us—

Mr. Lesage: May I just ask a question of the hon. member? Was he quoting from the submission by the commissioner of the Northwest Territories to the Gordon commission?

Mr. Dinsdale: Yes, the Northwest Territories submission.

Mr. Lesage: By the commissioner of the Northwest Territories, who is also the deputy minister of the Department of Northern Affairs?

Mr. Dinsdale: That is correct. Basic to the type of development outlined in this report is the development of our power resources. If we are going to be able to exploit the rich resources of the north it means that power must be available. From time to time in this house we have discussions as to whether power should be developed by public or private endeavour. Certainly, so far as the northern power potential is concerned, it would seem to be the responsibility of the national government to take the initiative in this regard. Only when we have power available can we expect the private investor to become interested in the northern part of Canada.

I could go on ad infinitum to place on record the tremendous power resources that are available there. I noticed in a report on this matter in the external affairs bulletin for December of last year, the Yukon river alone has the staggering waterpower potential of 4·5 million horsepower, which is one quarter of the present developed capacity of all Canada. There certainly is, therefore, plenty of opportunity and scope for increased and vigorous action in this regard. In the long run the power, of course, will be used to develop the rich resources that have been stored in the Canadian shield. It is significant, Mr. Speaker, that most of the territory that we refer to as northern Canada is contained within the Canadian shield region, and this Canadian shield is one of the great mineral-bearing regions of North America.

Before you can develop your natural resources, one of the important problems that must be met is the population difficulty, which has been one of the major deterrents to development in all parts of Canada. We are a large geographic area. We have unbounded material resources; we have all the things that are necessary to make Canada a truly great industrial country. We lack one thing. This is a truism; it is almost a cliche these days. We lack adequate population resources. Lack of population is the great obstacle to Canadian development.

This is particularly true in northern Canada. While we have all the power and natural resources there, it seems to me that because of the transportation difficulties, it is going to be necessary to stimulate the settlement of that country and that, of course, will be interconnected with the development of power, and the development of power in turn will mean the development of our natural resources. The U.S.S.R. are away ahead of us in this respect. They have established several large cities in the northern part of that country. Admittedly they have a much longer history behind them.

This bill is at least a realization that we have to become much more active in the northern region of Canada than we have been in the past. So far as maintaining population is concerned, the argument is invariably put forward that climatic and soil conditions in what we refer to as northern Canada are not very suitable for supporting a large population; but as the result of recent geographical exploration and as a result of the increased interest in that territory we now know that there are 1½ million acres of arable land available for settlement. We also know that climatic conditions in large areas of northern

Canada are quite agreeable to living a reasonable existence in that part of the country. For example, since 1947 we have had an agricultural experimental station at Fort Simpson.

While I am referring to the general problem of population I would not want to ignore the special difficulties faced by the native population. We have had discussions in this house from time to time—

Mr. Lesage: Mr. Speaker, I am sorry to interrupt the hon. member but he has been dealing with the general question of northern development, and he is now touching on the difficult human problems facing the indigenous population of the north. We are discussing second reading of a bill regarding the Northwest Territories Power Commission, and I respectfully remind you, sir, that we should deal with the principle which underlines a bill which has nothing to do with the problems of the native population of the north.

Mr. Dinsdale: I do not quite understand the point of order, Mr. Speaker. I was merely going to say that we have had—I heard the parliamentary assistant to the Minister of Trade and Commerce say something. He made some comment about not understanding.

Mr. Pickersgill: Continue.

Mr. Bell: That goes without saying.

Mr. Dinsdale: I was going to say that we are faced with this indigenous native population problem and it seems to me, in reply to the query raised by the minister, that the bill, by encouraging the promotion of power potential which in turn will lead to the development of our resources, is going to be a much more positive way of handling the native population problem than by direct relief. I raise that issue merely by way of further support of the principle of the bill.

Finally, I should like to ask a question which the minister can perhaps deal with more directly when we come to the sections of the bill. I should like to present it to him at this time so he will have the reply ready. I am particularly interested in the fact that the principle of the bill extends to areas outside the Northwest Territories. I presume, Mr. Speaker, the benefits of the bill can be extended to certain provincial areas if those provincial areas are interested in developing the power potential of their northern regions.

I mention this because the prairie provinces have certain areas that might be regarded as being within the Canadian north. Those regions are also a part of the great Canadian shield and contain tremendous power resources as well as natural resources. If the benefits of this bill could be made available to certain of the northern areas of the provinces it would go a long way toward implementing some of the recommendations that have been made by this group, which has suggested that before we can develop resources by private means public authority should make available the power potential. I should like to have the minister comment when we come to the particular sections of the bill.

On motion of Mr. Herridge the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We will take second reading of the pipe line bill tomorrow.

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

ANSWERS TO QUESTIONS

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

D.E.W. LINE PLANES—STRUCTURAL ALTERATIONS

Question No. 434—**Mr. Cameron (Nanaimo):**

1. Have any planes licensed to carry freight for the D.E.W. line construction project been structurally altered subsequent to licensing?

2. If so, have they been permitted to fly without further inspection after structural alterations?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

1 and 2. Section 215, subsection 2, of the air regulations, 1954, reads as follows:

A certificate of airworthiness is not in force during any period of major repairs or major modifications or under such other circumstances as may be specified by the minister, and does not come into force thereafter except after inspection and certification of the aircraft in accordance with any directions of the minister in that behalf.

The department has no reason to believe that any plane carrying freight for the D.E.W. line has been structurally altered contrary to the provisions of the above regulation.

NATIONAL REVENUE—PERSONNEL STATISTICS

Question No. 442—**Mr. White (Middlesex East):**

How many persons are employed by the Department of National Revenue in Canada; (a) customs and excise division; (b) taxation division?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

The number of persons employed by the Department of National Revenue in Canada as at April 30, 1956, was as follows: (a) Customs and excise division, 7,554; (b) taxation division, 7,454.

INDIAN AFFAIRS—HOSPITALIZATION STATISTICS

Question No. 443—**Mr. Pommer:**

How many Indians were hospitalized in each of the years, 1953, 1954, 1955, for (a) tuberculosis; (b) other conditions?

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

	(a) Tuberculosis	(b) Other conditions	Total
1953	3,008	32,339	35,347
1954	2,893	36,780	39,673
1955	3,343	31,156*	34,499*

* Figures are not yet available for Indians treated under the British Columbia hospital insurance service.

INCOME TAX COLLECTIONS, 1955

Question No. 448—**Mr. Hodgson:**

1. What was the total amount of income tax collected in 1955, by provinces?

2. What was the total cost of collecting same, by provinces?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

DEPARTMENT OF NATIONAL REVENUE
Taxation Division

Total income tax and succession duty collections and expenditures for fiscal year 1954-55

—	Income tax collections	Succession duty collections	Total collections	Total expenditures
	$	$	$	$
Newfoundland	23,939,469.34	241,983.25	24,181,452.59	232,228.23
Prince Edward Island	2,372,209.48	109,405.32	2,481,614.80	147,654.95
Nova Scotia	35,501,509.78	2,106,114.14	37,607,623.92	838,478.14
New Brunswick	27,960,747.99	953,245.74	28,913,993.73	590,187.21
Quebec	632,739,551.99	7,402,107.65	640,141,659.64	4,943,350.09
Ontario	1,183,396,931.85	20,871,605.46	1,204,268,537.31	9,080,197.74
Manitoba	103,513,003.98	1,832,379.51	105,345,383.49	1,253,515.34
Saskatchewan	52,430,952.13	958,615.36	53,389,567.49	1,323,836.18
Alberta	119,553,717.10	2,719,781.32	122,273,498.42	1,629,232.75
British Columbia	227,964,424.11	7,553,311.92	235,517,736.03	2,137,736.06
Yukon	2,824,748.92	19,478.87	2,844,227.79	27,845.37
Head office expenses not allocable by districts (public forms, office stationery, and other general administrative expenses)	—	—	—	3,472,213.81
All Canada (Totals)	2,412,197,266.67	44,768,028.54	2,456,965,295.21	25,676,475.87

NOTE.—The collections shown above are those made by district offices located in the respective provinces.

Questions

MARITIME COAL PRODUCTION ASSISTANCE ACT—LOANS

Question No. 496—**Mr. MacEachen:**

1. What amount in loans has been made available to coal producers under the Maritime Coal Production Assistance Act?

2. Which coal companies received loans and what amount was received by each of them?

Answer by: **Hon. George Prudham (Minister of Mines and Technical Surveys):**

1. $8,718,345.

2.

	Total approved	Amount received to date
Avon Coal Co., Minto, N.B.	$ 675,000.00	$ 675,000.00
Dominion Coal Co., Sydney, N.S.	7,500,000.00	4,673,524.92
Four Star Collieries Ltd., Bras d'Or, N.S.	229,320.00	162,000.00
D. S. & R. A. Mills, Minto, N.B.	305,850.00	305,850.00
V. C. McMann, Minto, N.B.	8,175.00	8,175.00
	$8,718,345.00	$5,824,549.92

COAL SUBVENTION STATISTICS—NOVA SCOTIA-UNITED KINGDOM

Question No. 497—**Mr. MacEachen:**

1. How many tons of Nova Scotia coal have been moved to the United Kingdom with subvention assistance?

2. What is the average subvention rate per ton?

Answer by: **Hon. George Prudham (Minister of Mines and Technical Surveys):**

1. 265,609 net tons.
2. $2.34.

HOUSE OF COMMONS

Thursday, May 17, 1956

The house met at 2.30 p.m.

PRIVATE BILLS

REFERENCE OF PETITION TO COMMITTEE ON STANDING ORDERS

Mr. W. J. Henderson (Kingston): Mr. Speaker, I should like to move, seconded by the hon. member for Niagara Falls (Mr. Houck):

That the petition of Niagara Lower Arch Bridge Company Limited for a private bill, presented on May 14, 1956, together with the clerk of petitions' report thereon of May 15, 1956, be referred to the standing committee on standing orders for such recommendations as may be deemed advisable.

Motion agreed to.

NATIONAL DEFENCE

SASKATOON—REQUEST FOR CONTRIBUTION TO COST OF DRAINING SLOUGH

On the orders of the day:

Mr. R. R. Knight (Saskatoon): I should like to direct a question to the Minister of National Defence. In view of the recent consideration which he has given to the matter, is the minister now prepared to state if the Department of National Defence is prepared to share part of the responsibility with respect to drainage of the slough known as Hudson Bay slough which borders on national defence property at the airport north of Saskatoon?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I thank the hon. member for giving me notice of his intention to ask this question. I visited Saskatoon recently and this matter was brought to my attention. Since my return to Ottawa I have been looking into the background of the situation. As a result I am satisfied—and this was the point at issue—that the presence of our airport at Saskatoon has added somewhat to the drainage problem that existed there, and I am making certain suggestions to the mayor of Saskatoon with a view to meeting the situation.

GRAIN

GREAT LAKES SEAMEN'S STRIKE—TRANSPORTATION OF WESTERN FEED GRAIN

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 arising out of the great lakes shipping strike. Can the minister say generally what quantities of feed grains are now available in eastern Canada and whether adequate rail shipments can be secured in order that eastern farmers may be assured continuing supplies of western feed grains?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Of course I have not the quantities at hand, but to the best of my knowledge there is no shortage of feed grains at the moment. Movement from Fort William and Port Arthur is continuing. A certain amount of grain is shipped down the lakes each day and I think that will continue to be the case. As far as rail movement east from the lakehead is concerned, small quantities of grain are being shipped every day and the quantities could be stepped up very readily. Movement east of Port Arthur is not being taxed to capacity, and I see no reason at all to suppose that there will be any difficulty about either domestic supplies or supplies for export during the next two or three weeks.

BRIDGES

BURLINGTON, ONT.—INQUIRY AS TO MAINTENANCE

On the orders of the day:

Mr. F. E. Lennard (Wentworth): I should like to direct a question to the Minister of Public Works. What arrangements have been made to maintain the immediate highway approaches to the federal vehicle bridge, and the bridge itself, over the Burlington channel to help maintain this secondary highway after the completion of the new Burlington channel bridge by the provincial government of Ontario?

Hon. Robert H. Winters (Minister of Public Works): I think the hon. member is aware that the government has been maintaining the bridge. One side of the bascule bridge was destroyed some time ago and was replaced by a permanent structure which has been maintained by the federal government. Regarding the federal government's present attitude with respect to the permanent nature of the structure, I think a reference to the correspondence tabled in the house exchanged between the Ontario government and ourselves will indicate our views on that point.

Inquiries of the Ministry

HOUSE OF COMMONS

REFERENCE TO LANGUAGE USED IN DEBATE OF MAY 15

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): I should like to direct a question to the Minister of Trade and Commerce and ask him if he intends at this stage in our proceedings to make any comment with regard to his obnoxious language as recorded on page 3939 of *Hansard,* and I should like to ask him whether his reference to a "louse" was to himself or to me.

Mr. Pickersgill: Just a trained seal.

Right Hon. C. D. Howe (Minister of Trade and Commerce): There was a good deal of offensive language at that time. I take deep offence at this reference to myself and I am far from satisfied with the correction, which is equally offensive. The remark I made at the time was a first reaction to the hon. member's remarks and expresses in somewhat unparliamentary language the feeling I had about the situation.

Mr. Drew: Mr. Speaker, with this precedent now before us, perhaps it will be permissible as well as appropriate to describe this government as lousy.

Mr. Speaker: Order.

LABOUR CONDITIONS

REQUEST FOR STATEMENT REGARDING SETTLEMENT OF SEAMEN'S STRIKE ON GREAT LAKES

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): Mr. Speaker, I should like to address a question to the Minister of Labour. Can the minister give this house any information on the progress being made in the settlement of the dispute between the seafarers' international union and the steamship owners?

Hon. Milton F. Gregg (Minister of Labour): Nothing in addition to what I gave yesterday, Mr. Speaker, except to say that the negotiations are still moving forward with good hopes.

FREIGHT RATES

FEED GRAINS—REQUEST FOR INCREASE IN SUBSIDY

On the orders of the day:

Mr. W. M. Howe (Wellington-Huron): I should like to address a question to the Minister of Agriculture. Will the government give immediate consideration to the necessity of raising the present $4.50 freight rate subsidy on feed grains to the original $6 rate? Owing to the extremely late spring and the tie-up of shipping on the great lakes the eastern Canadian farmer finds himself faced with the necessity of buying additional feed which has become costly and scarce.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, the government a year ago gave full consideration to the freight rates assistance which is given on the shipment of feed grain from the prairies to other parts of Canada and equalized them as among the different sections of Canada to the point where we think they may be justified.

WATER RESOURCES

UPPER THAMES VALLEY AUTHORITY—INQUIRY AS TO PROVISION IN ESTIMATES

Mr. W. B. Nesbitt (Oxford): I should like to address a question to the Minister of Northern Affairs and National Resources. Has the government as yet reached any decision with respect to an appropriation in the supplementary estimates for the upper Thames valley authority?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): No, Mr. Speaker.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

On the order:

Second reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation.—The Minister of Trade and Commerce.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. My point of order relates to the form of the bill, second reading of which has now been called. In the first place I would direct Your Honour's attention to page 357 of Beauchesne's third edition where there are given a number of rules of the House of Commons having to do with bills.

Mr. Speaker: Order. May I immediately inform the hon. member that at one time I went into what he calls the rules of the House of Commons pertaining to the preparation of bills. This is a report from a committee of this house at one time but the report was never concurred in by the house. It may serve as a guidance to draftsmen but it is not binding on the house.

Mr. Knowles: All right, Mr. Speaker. I will not press that aspect of my point of order.

Mr. MacDougall: Quote from the Simpsons-Sears catalogue.

Mr. Knowles: So that those who read the record will know what you and I were talking about, Mr. Speaker, may I point out that rule No. 4 to which I referred calls for bills to be accompanied by explanatory notes opposite each clause of the bill. The bill before us has no such explanatory notes on any of the right-hand pages explaining any of the clauses of this bill.

The other aspect of this bill, as to its form, which I submit makes it impossible for us to proceed with it at this time, is that in the bill there is a reference to an agreement; yet the bill does not contain as a schedule thereto the agreement referred to in the bill.

I point out for Your Honour's consideration that the wording in this bill is quite different from that in some other bills in which it is said that the government may enter into an agreement. Rather, the wording here implies the existence of an agreement. I remind Your Honour that there are any number of statutes on our books, such as the Canada Shipping Act; the Great Lakes Fisheries Convention Act; the Bretton Woods Agreements Act; the Terms of Union with Newfoundland (Approval) Act, and a number of others I have listed, such as acts regarding income tax agreements with certain countries, in which parliament was called upon to deal with agreements that had been made by the government with another body or another jurisdiction. In each of those cases the agreement that had been made was made a schedule to the act so that parliament was brought into the picture.

In this case, though the agreement has been tabled and is known as sessional paper No. 174-P of the House of Commons, and though there has been plenty of reference to an agreement, and though some of us have copies of it and know what is in it, this agreement is not made a schedule to the bill. The bill makes reference to some of the conditions that would have to obtain in an agreement between the government and Trans-Canada, but the conditions set out in the bill that that agreement would have to meet are very few. I want to stick directly to the point of order, but just as an example may I point out that there is nothing in the bill that says the agreement must have in it a date by which the western leg of the pipe line is to be completed; there is nothing in the bill which says that the agreement must have in it a date by which the short-term loan is to be repaid.

Mr. Speaker: Could the hon. member tell me how these so-called omissions make it impossible at this moment for the house to consider second reading?

Mr. Knowles: Because, Mr. Speaker, it is a well established principle of our parliamentary institutions that parliament, indeed the House of Commons in particular, has complete control over the expenditure of money. If we are going to be asked to consider a bill which gives the government the power to make an agreement, the terms of which are not included in the bill, we are thereby giving the government power that properly belongs to the House of Commons.

In that connection, I remind Your Honour of some very important quotations that have been read to this house before by none other than the late William Lyon Mackenzie King. May I refer you in particular to page 159, volume 3 of Redlich, one of the authorities with which Your Honour is quite familiar. He says this:

> At first glance there does not appear to be much to learn from tracing the history of the forms of financial procedure. The motive power in financial development is not to be found in procedure, but in the growth of constitutional principles, in the acquisition by parliament of the sole right to grant taxes and in the further evolution of the predominance of the commons as the true representatives of the nation.

Later on the same page he says, and I ask that you take particular note of these words:

> Soon after the great change made at the end of the 17th century, political experience showed that a second principle must be established before the foundations of parliamentary government could be regarded as secure. It was necessary to gain for the commons full and unrestricted control over the destination of the money spent, to enable parliament to check its application and to see that expenditure corresponded to the grants made.

Similarly Mr. King on one occasion made reference to Durell's volume entitled, "Parliamentary Grants". In fact I note that certain passages on page 3 of this volume are marked with a pencil and for all I know they may be Mr. King's pencil marks.

> It is one of the old standing principles of our constitution that the House of Commons should control the finances of the country. In other words, the cardinal principle on which the whole of our financial system is based is that of parliamentary control, and by this is understood not the control of parliament in its constitutional sense as composed of sovereign, lords, and commons, but control by the commons alone.

Mr. Speaker: I indicate immediately that no one can contradict those basic principles; but how does the hon. member relate those principles to the bill and the second reading of it?

Mr. Knowles: Thank you for that question, Mr. Speaker. In my thinking the relationship is very direct. We have been given the right to look at an agreement made between the government and Trans-Canada but, as a parliament, this bill does not involve us in

that agreement. In other words, after the passing of this bill the government can amend that agreement or make some other kind of agreement which would not have to provide for the repayment of the money or that the company be regarded as in default in the event of failure to achieve construction by a certain date. Therefore, because the agreement is not annexed to this bill as a schedule, because parliament is not made a party to this agreement, we cannot be sure that it will not be altered, amended or substituted, as has already happened in relation to this company.

In other words, Mr. Speaker, we are being asked to part with our control over the ultimate destination of this money; we are being asked to part with control over the guarantee of repayment; we are being asked to part with control over the terms and conditions under which the company would be regarded as succeeding or defaulting. And it is because we are being asked to part with that control that I submit that by this bill in its imperfect form we are being called upon to violate some of these basic principles to which I have already referred.

I would point out, Mr. Speaker, that though the bill itself does provide certain conditions that must obtain in the agreement, those conditions are far less than are contained in the existing agreement that is circulating amongst us; but we as a parliament are not a party to the agreement circulating amongst us and we will not be a party to it unless it is included in the bill as a schedule thereto.

I submit, Mr. Speaker, that in view of all the changes, the extensions and so on that have happened in the past, we have the right to feel that unless parliament itself is involved in this agreement, unless we are a party to it, unless it is in the bill, we have no guarantee that the agreement will not be changed by the two parties to it, and I feel that under the basic principle of the right of parliament to maintain control over the voting of money, over the destination of that money, we have the right to have before us a bill which is more than something pretty close to a blank cheque; we have the right to have before us a bill which includes in it as a schedule something that we vote on or in other words the very agreement that is going to be implemented so far as this whole proposition is concerned.

I am not denying the bona fides of the parties that made the agreement that is before us as sessional paper 174-P. The important point is, so long as it is only a two-party agreement those two parties can change it. What we need, if parliament is to be asked to vote for this, is a three-party arrangement. We have to be in on it, too. I submit

[Mr. Knowles.]

that for reference to be made to this agreement, for it to be tabled, for it to be discussed by the minister who is sponsoring the bill and yet to keep it apart from the bill so that the government and Trans-Canada can amend it or change it as they wish to is being unfair to parliament and to that extent I suggest this bill is imperfect in its form; that it violates the basic principles of parliamentary control over the expenditure of money and that Your Honour should not allow the minister to proceed with it at this time. Indeed, under the provisions of citation 634 of Beauchesne's third edition, I suggest it is quite clear what Your Honour should do. Citation 634 reads:

> If the Speaker finds that the bill is in blank or in an imperfect shape, he will decline to put the question and will return the bill to the member who must take another opportunity of bringing it up in conformity with the rules.

Because of the extent to which this bill is blank in that it does not have the agreement attached to it as a schedule, and because of the imperfection in that it violates the principle of parliamentary control over expenditure, I submit that Your Honour should return the bill to the hon. member who is seeking to move it and ask him to correct these imperfections.

Mr. McCullough (Moose Mountain): Mr. Speaker, I rise on a point of order.

Mr. Speaker: There is a point of order before the house now. The hon. member cannot rise on a point of order when there is one point of order already before the house.

The hon. member for Winnipeg North Centre has indicated that the bill has no marginal notes and no explanatory notes. The explanatory notes are not a part of the bill nor are the marginal notes. The bill has no marginal notes and no explanatory notes and they are not a part of the bill. The bill consists of the various clauses that are there. In order to judge whether a bill is in blank or in an imperfect shape, it had to have blanks when it was introduced and given first reading. There were seven consecutive sections.

The hon. member should perhaps remember that when the motion is made for first reading, the motion in fact has become so purely formal that we do not ask that the bill be now read a first time and be printed but in fact that is being ordered by the house to satisfy the requirements of standing order 74 which says:

> All bills shall be printed before the second reading in the English and French languages.

Standing order 72 applies to the introduction and prior to first reading. It says:

No bill may be introduced either in blank or in an imperfect shape.

Therefore at that moment the hon. member cannot raise that point of order because he does not have a copy of the bill. The bill has not been printed. It is my duty, however, to satisfy myself. My satisfaction must be made on a very summary basis because hon. members cannot expect the Speaker to study every bill in an effort to find out whether or not something has been omitted. Hon. members have taken care of that situation themselves by insisting in their procedure that after second reading all bills be referred or committed either to one of their standing committees or to the committee of the whole and even if a bill goes to a standing committee it must be committed to the committee of the whole.

In the committee of the whole proper amendments may be moved, new clauses may be inserted and schedules may be inserted and that is the manner in which it is being done. To raise a point of order and say the second reading of this bill cannot be put because there is an omission in it is not correct. I think the hon. member will admit his point as to explanatory notes is not a good one and I do not think he would insist on that point.

Mr. Knowles: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Knowles: Mr. Speaker, in order to clear the ground for the more important objection, I will withdraw the first objection. But I press the second one.

Mr. Speaker: The hon. member's main objection is this. It is his contention that, because this bill refers to an agreement and the terms of the agreement not being a part of the bill and not being printed *in extenso* in the bill, the control of the house over the expenditures which may be involved therein is being denied. That is the way I would summarize the point the hon. member has made.

Control of parliament over expenditures is exercised through the financial initiative of the crown. The crown must recommend any expenditures which have to be passed through the house. The way the crown signifies its recommendation is through the Speaker now announcing that a royal recommendation has been given to a resolution that outlines the expenditures involved. When we are not dealing with a money bill, the case does not obtain. In this instance we are dealing with a money bill. The exigencies of the control of the house over expenditures have been met, in my view, by the fact that a resolution has preceded this bill, a resolution which was accompanied by the royal recommendation. These are the requirements of the British North America Act. These are the requirements of standing order 61.

We have done exactly what must be done in relation both to the section of the British North Amercia Act and to standing order 61. We have gone into committee of the whole. We have examined the resolution, which does not contain any details of the various sections of the bill but just gives an outline of the exependitures contemplated later in the bill. At this moment the bill has received its first reading, and it was ordered to be printed. Now it is up for second reading. If the hon. member's point was right, a new resolution would have to be introduced, because that is the only way to correct something missing in a bill in which the financial initiative of the Crown is involved. If that is not the point, then it can be corrected by the proper amendments being moved when the bill is in committee of the whole being studied, clause by clause.

Mr. M. J. Coldwell (Rosetown-Biggar): May I just say one word in support of my hon. friend? As far as the amendment of the bill in committee is concerned, that is problematical because often amendments moved in committee are rejected by the committee and therefore are not reported to the house.

Mr. Speaker: May I just say to the hon. member that surely he cannot expect the Speaker to rule on the probability that amendments may not be adopted.

Mr. Coldwell: I did not ask you to rule on that. I simply made the remark, which I think is perfectly correct, in regard to what happens in this house. This particular bill refers to an agreement—an agreement, moreover, made with the approval of the government of Canada before or after the coming into effect of this particular measure. We have no knowledge of that agreement other than that it was tabled and circulated through the house by request of members. This agreement is one of the most important agreements coming before the house in my time. In my opinion, as the hon. member for Winnipeg North Centre has said, this house should not only be apprized of what is in this particular agreement but this house should approve of the agreement when this bill is before the house on the second reading. We should be given that chance on the second reading.

Northern Ontario Pipe Line Corporation

I submit that the bill was imperfect in the sense in which the rules require and that this bill should not be allowed by Your Honour to be proceeded with this afternoon. It is defective in a number of particulars. I am not going into them now. If we proceed, I shall go into them a little later on. But I think it is perfectly obvious that the main point of my hon. friend's objection is that the bill is imperfect because the House of Commons will not be giving by legislation approval of this very important agreement, which to my mind is fundamental to the whole discussion at the present time.

Mr. Speaker: I just want to say that, notwithstanding whatever sympathy I may have with the points that have been brought up, I cannot accept them as being a valid point of order at this stage in order to prevent the second reading being proposed by the Chair.

We are not dealing with the details of the bill at this moment. The second reading of the bill, according to citation 656 from Beauchesne's third edition, is that stage when it is proper to enter into a discussion and propose a motion relative to the principle of the measure.

It is precisely because there may be some imperfections in the bill that may be corrected after debate and motions proposed for the purposes of amending, which means either deleting or adding that the bill must go into committee of the whole. Sections cannot be referred to during the debate on the second reading. Therefore I must put the motion.

Mr. Knowles: Mr. Speaker, are you ruling that this bill is in order?

Mr. Speaker: I am ruling it is in order now to put the motion for second reading of the bill.

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

Mr. Speaker: Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. McIvor: More obstruction.

Mr. Speaker put the question as follows:

Mr. Knowles raised a point of order as I was proposing the question on the second reading of this bill, intituled an act to establish the Northern Ontario Pipe Line Crown Corporation, to the effect that the provisions of this bill violated the principle of parliamentary control over finances since the agreement referred to in the bill was not being submitted to the house. I ruled that since the requirements of the British North America Act and of standing order 61 in respect of financial measures had been met, and since further it was customary not to include agreements in bills providing for the carrying into effect of these agreements—and I would refer hon. members to chapter 71 of the statutes of 1947, an act to provide for carrying into effect treaties of peace between Canada, Italy, Roumania, Hungary and Finland, in which none of the agreements were inserted in the bill—it was in order to proceed with the motion for the second reading of the bill.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Bonnier
Bourque
Breton
Brisson
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Cannon
Cardin
Caron
Carrick
Carter
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eudes
Eyre
Fairey
Follwell
Fraser (St. John's East)
Gagnon
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Leboe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith

McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Menard
Meunier
Mitchell (Sudbury)
Monette
Nickle
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Studer
Thatcher
Thibault
Thomas
Tucker
Viau
Villeneuve
Weaver
Weir
Weselak
Winters—152.

NAYS

Messrs:

Aitken, Miss
Argue
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Pallett
Pearkes
Regier
Robinson (Bruce)
Rowe
Stanton
Starr
Tustin
White (Hastings-Frontenac)
Winch
Zaplitny—57.

Mr. Speaker: I declare the ruling sustained.

Mr. Fulton: Mr. Speaker, I rise on a question of privilege.

Mr. Stuart (Charlotte): We expected that.

Mr. Fulton: During the discussion of the point of order just raised I sent to the table for a copy of Beauchesne's third edition.

Mr. Stuart (Charlotte): Why don't you get Bourinot?

Mr. Fulton: When the volume arrived—and I now have it in my hand—I found in it a document which I hold up so you can see it. This document in the book coming from the table contains, in handwriting in pencil, the following words:

That Mr. Fulton, member for Kamloops, be suspended from the service of the house for—

Then there is a blank and some dots in pencil, then underneath:

—the remainder of the present sitting.

Mr. McCann: Pretty weak.

Mr. Fulton: Mr. Speaker, I do not know whether I should take this as a reminder or a threat or whether I should take it that the government feels that it is not going to get the measure through the house without such threats. But I want to assure them that—

Mr. Speaker: Order.

Mr. Fulton: —they will not work.

Mr. Harris: Mr. Speaker,—

An hon. Member: Did the Minister of Finance write the note?

Mr. Harris: —I think that privately I would say that I did not, but publicly I wish to say that it is not a document in the possession of the house and therefore could not be a matter for comment. May I just add that any suggestion that the government might be considering that this action would be an advantage is not well founded. I assure you, Mr. Speaker, that I am delighted to have the hon. member here because he helps us on many occasions.

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved the second reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation.

He said: Mr. Speaker, on earlier occasions—

Mr. Barnett: Mr. Speaker,—

Mr. Speaker: I see that the hon. member for Comox-Alberni is also on his feet. Is it either a question of privilege or a point of order to which he wishes to speak?

Mr. Barnett: A question of privilege, Mr. Speaker. Just when the hon. member for Kamloops (Mr. Fulton) rose in his place I was rising simply to say that I was paired with the hon. member for Waterloo South (Mr. White). Had I voted I would have voted against the ruling.

Mr. Howe (Port Arthur): Mr. Speaker, I have spoken on the matter referred to in the bill on two earlier occasions and on those occasions I have discussed the subject matter of the bill. On this occasion I should like to

speak first about the nature of the project of which this is a part. The project is far larger than the building of a pipe line from the Alberta-Saskatchewan border down to the vicinity of Montreal. The cost of the pipe line itself with its appurtenances is some $375 million which is of course a sizeable amount. But incidental to the building of the pipe line and the operation of the pipe line, a much larger expenditure is involved. It approximates $1 billion. The pipe line itself, of course, is not usable unless branch distribution systems are provided in the cities and towns along the way.

A great number of these cities and towns have already taken out franchises for gas distribution within the community and are only waiting to have the supply of gas definitely fixed before proceeding with their local development. In the province of Alberta a great number of gas wells must be drilled to make deliverable the gas that has been proven there, and also chemical plants must be built to remove the sulphur, butane and other liquids to make the gas suitable for the pipe line. It is a project that should appeal, I think, to the Canadian people, a project extending across five provinces and a project which means the replacement of great quantities of fuel presently imported from the United States with lower cost fuel produced within Canada.

The production of gas in Alberta goes back a good many years. I lived in Alberta for quite a period more than 40 years ago. The house which I occupied was equipped to use natural gas for heating and all other purposes. At that time gas had been brought into Calgary from the vicinity of Medicine Hat and the cost of heating in Calgary had been greatly reduced as a result of that service. Later on gas was brought into the city of Edmonton by a group headed by Mr. Ray Milner, whom I knew very well in Dalhousie. I was on the staff and he was a student. He was able to get financial help from the United States and, over the years, has built up a distribution system within the city of Edmonton.

However, the major discoveries of gas have occurred in recent years as part of the development of the petroleum industry. The natural resources of Alberta, of course, belong to the province, but licences have been issued to private industry to develop certain areas and the gas that has been developed and proven up is the property of those licensees of the Alberta government. Who are the principal holders of gas in that province? The largest is Canadian Gulf. Canadian Gulf is the owner of about one-third of all the proven gas supplies. The second largest holder is the Hudson Bay Oil and Gas Company, which is working in co-operation with the Hudson's Bay Company in developing the mineral rights that are controlled by the Hudson's Bay Company. The third largest is the Standard Oil of California and the fourth largest is the Canadian Delhi Company.

It is interesting to note that the largest holder of gas in Alberta, the second largest holder of gas in Alberta and the fourth largest holder of gas in Alberta are the principal sponsors of the project that we are discussing today. It has been suggested in this house that these men who control Trans-Canada Pipe Lines Limited have been offering gas for export at less than the most favourable prices available. It seems rather extraordinary to me, and I think it will seem extraordinary to every hon. member in this house, if these companies have been offering gas, which they own, for export at a price lower than that obtainable from other sources.

These men have become interested in the pipe line so that they may obtain an outlet for the gas they own and for other gas available within Alberta. This has been the reason for their sponsorship of the project. The group that is sponsoring the program have bought shares to a value in excess of $15 million, and bought them for cash. They bought them at a price of $8 per share. This is one project in Canada in which there is not a single share that has not been bought at $8 or, if bought recently, $8 plus interest from the time the group was formed.

These men have been undertaking the work that is necessary before a project of this kind can move. They have been making the surveys of potential markets. They have retained consulting engineers who have prepared the engineering for the project. Earlier the group provided funds to build a gas line from the Niagara river to Toronto in order that a start could be made upon conversion to natural gas in the Toronto area and in order to develop additional markets there. They have acquired rights of way, and particularly the right of way across western Canada from Calgary to the Manitoba border. They have been working for the greater part of two years doing the necessary preliminary work for the building of the pipe line which we are discussing today. What has the government done to help? Absolutely nothing in a financial way. Not one cent of government money has played any part in the development up to the present time. What is the government's interest in the project?

Well, it seems to me a very definite interest in the project arises out of the government

policy affecting energy produced in Canada. This policy was announced some five years ago in the House of Commons, and was that the policy in connection with natural gas would be parallel with the policy on energy in the form of electricity, namely that energy in the form of gas must be made available to Canadian consumers and that only quantities of gas that are clearly in excess of the present or future needs of Canadian consumers could be permitted to move outside Canada. Having announced that policy the government, in my opinion, has some responsibility for seeing that the means of moving gas to markets available in Canada should be provided. Certainly, we had an interest in that project and we have taken an interest, not a financial interest but we have moved to the extent that we could to encourage the planning of this pipe line.

Early in the history of this scheme a proposal was made, not by the present group but by another—the hon. member for Calgary South will remember—that instead of moving gas from Alberta to these markets by a pipe line, we should allow gas to be exported south from Calgary and recovered in the vicinity of Toronto on an exchange basis. The government was unable to consider that proposal. Then a proposal was received that instead of an all-Canadian pipe line the sponsors be permitted to follow the route of the oil pipe line from Alberta; that is, a route down through the United States. There again the government rejected that proposal and said that gas must be brought to eastern Canada by an all-Canadian pipe line. That position was rather resented in Alberta. The hon. member for Calgary South (Mr. Nickle) has spoken about it in the House of Commons. It is claimed that we are putting an improper tax on the owners of the gas and making the project of supplying that gas to Canadians in eastern Canada uneconomical.

I went to Calgary at the invitation of the petroleum institute and addressed its members there at a dinner meeting. I was warned beforehand that I must submit myself to questioning after the meeting was over. I went there for the purpose of explaining why it is in the national interest that eastern Canada be served with Alberta natural gas through an all-Canadian pipe line. I had the honour of having my friend, the hon. member for Calgary South, sit beside me on that occasion. Whether I was able to convince him that evening, or whether he has seen the light since, I am not sure. But I think perhaps at some stage we have made progress in a meeting of minds on the proper method for distributing western Canadian gas. I explained the need for an all-Canadian line. I admitted that it would be more costly than alternative plans, but I said the added cost is one of the penalties we must accept for Canadian nationhood. I remember my words. I said: "There is a price on Canadian nationhood. If we always looked for the cheapest way of doing things here in Canada there might have been another state in the United States but there very likely would have been no Canada. From confederation the people of Canada have been very jealous about accepting any monetary advantage that would in any way jeopardize the control by Canada over her own resources."

It was that line that I pursued in my discussion before the petroleum institute. I must say that that position seemed to be accepted by the industry that was gathered there on that occasion; for, following the meeting, there did not seem to be any subject about which they wished to question me; at least, no questions were asked. Since then the government's requirement for an all-Canadian pipe line has been accepted as a national necessity by the industry.

Then, naturally, I have followed the efforts of the sponsors of the pipe line to finance their project. I have discussed the problems with the sponsors themselves, with their bankers and with others who have attempted to assist in carrying out the project. I may say that Premier Frost over several years has been just as interested as I have been to bring about the delivery of gas into his province, and on two or three occasions I have met him, together with representatives of the pipe line company, in an effort to assist the project.

A study of the financial situation indicated that to finance the whole line across Canada, the type of line that we feel is needed for the purpose, would not be possible unless some means could be found to bridge the first three, four or five years of build-up in eastern Canada. Eastern Canada, which has never used natural gas, which in the main had no facilities for using it, presented a problem where time would probably be required before we had a financeable project to place before the banks. Well, how could the government assist in that situation? It was found that by removing the financing of the northern Ontario section, as covered by a section in the bill before us, the remainder could be financed from the inception, and given three, four or five years, the project would be in an earning position that would enable it to buy the government section. An arrangement was worked out by which the government could not possibly fail to recover

its investment over a period, which would provide for the building by the government and the use by the company of the northern Ontario section, which would result in an easing of the financial burden in the early years to be recouped when the earning period began. That provision is contained in the bill.

The government of Ontario indicated not only an interest but a real financial interest in that section of the work. It is estimated to cost $118 million. The proposal was that the province of Ontario would share one-third of the cost up to $35 million and that the federal government would provide the remainder of the money required to build the section of the line from the Manitoba border to Kapuskasing. Then the company undertook to finance the line. Part of the revenue on which we had been counting at all stages was revenue derived from the export of 200 million cubic feet of gas which was found to be in excess of present and future Canadian requirements. The company dealt with interested parties in that connection. They first had a contract for a smaller amount with the Northern Natural Gas Company which supplies the Minneapolis and northern Wisconsin area. That contract called for a rate of 29 cents, which was satisfactory to the sponsors of Trans-Canada.

Northern Natural made an application to the federal power commission and immediately ran into a storm of protests from their customers in the area, on the grounds that the offered price was too high and that the offer would involve higher rates to the present customers of Northern Natural Gas. The protests of the customers were effective with the federal power commission and the result was that the hearing on that application adjourned sine die. The contract with Natural Gas had a clause permitting either side to cancel unless the contract was implemented within a certain short period, I think it was one year. The time had elapsed. The Trans-Canada sponsors were unable to obtain a renewal of the contract. It was said that a lower price would be required, but Northern Natural have never named that lower price that they would require, and since no progress could be made with Northern Natural, Trans-Canada, to leave itself free to deal with others, cancelled the contract under the terms thereof. Then we had representations from a group including Northern Natural, People's Gas and American Pipelines Company. It was represented that this group would be able to make a proposal that would be attractive for the export of gas. The group met with me. I told them I had nothing to do with making a contract for the gas, that they should prepare their proposal and submit it to the sponsors of the Trans-Canada company. Later on I received a letter from them in general terms. I wrote back and said I hoped they would be successful in reaching an agreement with Trans-Canada.

Mr. Macdonnell: A confidential letter?

Mr. Howe (Port Arthur): Can we not proceed without jests for a few minutes? My hon. friend is very humorous but this may not be the moment for it.

Mr. Fleming: It depends on who is doing it, eh?

Mr. Howe (Port Arthur): That letter has been tabled, incidentally. Mr. Merriam of the group went to Calgary and met with the sponsors of Trans-Canada. It was reported to me that he had no firm proposal to make. Shortly after that a proposal was received from Tennessee Gas Transmission. That proposal was a firm proposal. It had several advantages other than the sale of gas. True, the price was lower than in the contract it superseded. The price was 25½ cents per thousand cubic feet. The load factor was 95 per cent and the proposal contained an escalation clause which provided for an increasing price year by year during the term of the contract, which proposals by the other group did not contain.

In any event the sponsors decided the Tennessee proposal to be the most favourable received and a contract was signed with that company. Application was made before the federal power commission by Tennessee to implement the contract and the hearing on that application has been proceeding now for some seven or eight months.

The application has probably met with the most violent opposition in the history of the federal power commission. The results of the hearing are still unknown and that fact has seriously interfered with the financing of the pipe line. Had the application been approved, the line would have been financed and under way long before this.

Hon. members complain that we have been late in bringing down this bill. The reason we have been late is that we were hoping a compromise would be arrived at which would permit an early decision by the F.P.C. In that we were disappointed. We also hoped that temporary financing could be arranged which would make government assistance in the western section unnecessary. In that we were disappointed. After we decided that direct government action was necessary if we were to get a program under way this year it took some time to work out the details of the program as represented by the

bill before you and the agreement that has been tabled with the bill. So much for the position today.

The question has been asked: "Who was pressing for action?" Well, I think I can throw some light on that subject. We have received several letters. The letters I will read have all been tabled and are available to hon. members.

The first letter I will read is dated April 24, 1956, from Premier Manning of Alberta, addressed to the Prime Minister (Mr. St. Laurent):

My dear Prime Minister:

Passing through Ottawa today, I had hoped to have an opportunity to discuss with you the serious situation developing as a result of the prolonged delay in getting the trans-Canada pipe line project under way. This was not possible due to your engagement in Toronto, and as previous commitments prevent me staying over until tomorrow, I had a brief discussion with your colleague, the Right Hon. Mr. Howe, and am writing this letter to outline some of the thoughts I had hoped to discuss with you personally.

My colleagues and I have become increasingly concerned over the serious threat to the whole national gas development and gas utilization program occasioned by the repeated frustrations and delays that have attended the proposed trans-Canada pipe line project. For the following reasons, in our opinion the situation has reached the point where any further delay in commencing at least the western section of the line may well prove disastrous to the entire project.

Mr. Fleming: What is the date of that letter?

Mr. Howe (Port Arthur): April 24, 1956.

1. If the project is delayed another year, all present permits, both federal and provincial, and all contracts entered into by the company will lapse by default. It will be extremely difficult to grant further indefinite extensions of the government permits, and almost impossible for the company to retain existing contracts with gas producers.

2. Trans-Canada Pipe Lines and the Alberta Trunk Line Company have made arrangements for the large dimension pipe necessary for the project if it proceeds this year. If it is delayed another year this pipe, in all probability, will be allocated to some other project. If this happens it will be extremely difficult, if not impossible, for the company to make firm arrangements for the delivery of the necessary pipe in time to commence construction in 1957.

3. Another year's delay in providing a market for Alberta gas will have a retarding effect on the development of both the oil and gas resources of the province. Millions of dollars of investment capital already are immobilized in gas wells which are capped because no export market is available. A program involving over $100 million of new development for gathering lines, processing plants and auxiliary industries which large scale export of gas will make possible is being held in abeyance, and each further delay is undermining confidence in the future prospects to a degree that is damaging to both the provincial and the national interests.

4. Public acceptance of the present national gas policy which dictates that Canadian consumers be given first priority in the use of Canadian gas is being weakened by the prolonged delay in getting western gas to eastern consumers. A policy impossible of practical application in a reasonable period of time cannot indefinitely command public endorsation and support. Over two years have lapsed since the present trans-Canada project was formulated as a vehicle to implement national policy with respect to natural gas. To date western producers have not been able to sell one cubic foot of gas for delivery to eastern consumers. Living with this situation every day, we are very conscious of the extent to which the uncertainty created by repeated delays is undermining the confidence of investors and producers, and of the public generally.

For these reasons we believe it is of the utmost importance that at least the western section of the proposed line be constructed this year. In fairness to the Trans-Canada Pipe Line Company, I believe it rightly can be said they have complied with every condition and requirement of the national gas policy laid down by your government. They have encountered temporary difficulty in financing their part of the project only because of the delay before the federal power commission at Washington, which is something entirely beyond their control.

Under these circumstances, we feel your government would be fully justified in taking whatever steps are necessary and in your judgment proper to ensure the immediate start of the Trans-Canada project within the framework of the national policy that precludes consideration of other markets until eastern Canada is served.

I respectfully submit these observations for your consideration, with the sincere hope that you will be able to make an early announcement that construction of the line will commence this spring.

Yours very sincerely,
Ernest C. Manning,
Premier of Alberta.

An hon. Member: What does the opposition say about that?

Mr. Fleming: When you give us a chance we will have plenty to say.

Mr. Howe (Port Arthur): Then a letter from the Premier of Manitoba dated May 15, 1956:

Dear Mr. Prime Minister:

I am writing you concerning the discussions taking place regarding the transmission of natural gas from Alberta to Manitoba and eastern Canada.

As I have indicated to you on previous occasions, the availability of natural gas in Manitoba at minimum economic rates can have an important influence on the economy of this province. There are now a number of important developments in Manitoba which are being held up pending the arrival of natural gas.

At this time I would like to reaffirm Manitoba's interest in this matter and to stress once again that it is imperative that construction of the pipeline between Alberta and Winnipeg be completed this year. For this reason I trust that whatever solution is agreed upon will assure the arrival of natural gas in Manitoba in 1956.

Yours sincerely,
Douglas Campbell.

Then a letter from Mr. Porter, which I received this morning, dated at Queen's Park, Toronto, May 14, 1956. I may say that this was written in reply to a letter of mine asking whether the province wished to extend the

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arrangement for building the northern Ontario section of the pipeline.

Mr. Fleming: Is the minister going to read his letter to Mr. Porter?

Mr. Howe (Port Arthur): I have it here. I can read it if you wish. It is a rather long letter.

Mr. Fleming: Should it not be on the record?

Mr. Howe (Port Arthur): It is tabled.

Dear Mr. Howe:

I beg to acknowledge your letter of May 11, in which you outline the present status of the project for trans-Canada gas pipeline, and the financial arrangements recently concluded between your government and Trans-Canada Pipe Lines Limited in order that construction of the western section will commence this year.

As we have frequently stated, a trans-Canada pipeline is, of course, a federal responsibility. A provincial government is in no position, constitutionally, to assume any responsibility for decisions as to the construction or the financing of a national undertaking that crosses the boundaries of several provinces. We have, however, from the outset concurred in the policy of a line that would be built entirely within the boundaries of Canada, within Canadian jurisdiction. As a provincial government we are particularly interested in the potential benefits for northern Ontario that would undoubtedly follow the building of a gas pipeline through that portion of the province. Generally, in view of our rapid industrial expansion, coupled with the fact that our hydro-electric power resources are now approaching their maximum limits of development, the necessity of new sources of fuel for our industries and our domestic consumers is becoming increasingly urgent. We agree with you that further delays in the construction of this project would have very adverse consequences. Time has become of the essence. Every day's delay invites the most serious consequences to the development of Ontario, and to the national economy. In these circumstances, it would appear essential that the western section of the line be completed during the year 1956. To accomplish this, we understand that actual construction must be commenced not later than July 1. We understand from your letter that your financial arrangements with Trans-Canada Pipe Lines Limited are designed to accomplish this purpose.

You will recall that our agreement with your government, as set out in the correspondence of November, 1955, provided for the incorporation of a crown corporation to build the northern Ontario section of the trans-Canada line. The conditions upon which we agreed to lend money to such a corporation, to the limit of $35 million, were as follows:

1. That our investment would be returned to us out of rentals based upon the through-put of gas, with interest at the going rate, so that eventually this investment would involve no cost to the taxpayers of Ontario.

2. That we should not be called upon to advance money under commitment until you were able to assure us that all other portions of the entire trans-Canada line from Alberta to Quebec would be completed and operated.

3. That by reason of the terms of the agreement between your government and Trans-Canada Pipe Lines Limited, our commitment would terminate if the company were unable by May 1, 1956, to show financial ability to carry out their entire undertaking.

In any matter of such complexity and magnitude, we recognize that it may become necessary to consider changes in arrangements from time to time. At the last session of the legislature an act was passed, by the unanimous recorded vote of the house, giving authority to enter into such arrangements. The act allows for certain flexibility so as to meet changing situations as they may arise. Section 1 of the act is as follows:

"1. For the purpose of implementing the arrangements made or to be made between the government of Canada and the government of Ontario to facilitate the construction of a connecting link through northern Ontario of a pipeline to transport natural gas from Alberta into central Ontario, the treasurer of Ontario is hereby authorized to loan from time to time out of the consolidated revenue fund any sum of money, but not more than $35 million, to a corporation constituted or to be constituted on behalf of Her Majesty in right of Canada and having as a purpose the construction aforesaid."

Upon condition that the construction of the western section begins not later than July 1, 1956, we are willing to concur in the extension of time that you request. Subject to this change, we shall continue our commitment to participate in the financing of the northern Ontario section.

Yours sincerely,

Dana Porter.

An hon. Member: Frost on the Drew line.

An hon. Member: He did not suggest closure, did he?

Mr. Howe (Port Arthur): It has been suggested, although by far the greater part of the capital provided by the sponsors is being provided by Canadian companies, that because those Canadian companies are financed with capital from the United States in whole or in part there is no Canadian control of the pipeline project. I do not know whether or not the 83·4 per cent that was suggested as United States capital will be altered by the fact that the British-American Oil Company, a very old Canadian company, is in the process of acquiring all the Canadian interests in Gulf, but I suggest it would make a difference. The purchase has been made of Gulf property by the British-American Oil Company.

An hon. Member: They are owned 60 per cent by another company.

Mr. Howe (Port Arthur): Yes, just as Standard Oil owns 70 per cent of Imperial Oil. However, a good deal has been said in this debate about the Canadian Pacific Railway. Does anyone doubt that the Canadian Pacific Railway is under Canadian control? It is not controlled through stock ownership. I believe that Canadians own about 11 per cent of the stock of the Canadian Pacific Railway at this time, and I doubt that the Canadian holding has ever been higher than 15 per cent, and certainly never as high as 20 per cent. Canadian control in that instance does not depend

on stock ownership. It depends upon the fact that the railway is located in Canada, subject to Canadian law, subject to regulation by the Board of Transport Commissioners for Canada.

Mr. Ellis: Page the city of Winnipeg.

Mr. Howe (Port Arthur): Well, you live in Regina. We will let Winnipeg look after itself. The situation is exactly the same with the pipeline project. Who will control the pipe line? The pipe line will be controlled in Canada. Why? Because it is located in Canada, because it is subject to Canadian laws, because it is subject to regulation by the provincial authorities of Canada and over-all regulation by the board of transport commissioners. The reason I asked for the provision in the agreement giving Canadians the opportunity to buy shares in the company was not to assure control of the company in that way for Canada. I pointed out at the time that ownership of 51 per cent of the shares even though it existed, did not carry a guarantee it would always exist, and did not in itself mean actual control of the pipe line. Control of the pipe line we have because of the fact that the pipe line is wholly built in Canadian territory and is subject to Canadian laws and regulation by the provinces and the board of transport commissioners. Therefore let us not worry too much about Canadian control.

It is unfortunate that the pipe-line discussion has come up in the midst of this wave of anti-Americanism on the part of the official opposition.

Mr. Drew: Oh, nonsense!

Mr. Fleming: That is a complete distortion.

Mr. Howe (Port Arthur): Anti-American sentiment has been expressed.

Mr. Drew: The usual disregard for facts.

Mr. Howe (Port Arthur): What was the United States ambassador complaining about?

Mr. Fleming: Did you write the speech for him? You spent the previous week with him.

Mr. Bell: How about the speech last night by the Secretary of State for External Affairs?

Mr. Pearson: Why don't you read it?

Mr. Howe (Port Arthur): This idea that businessmen who have made large investments in Canada to develop Canada's natural resources by arrangement with the provincial governments of Canada should be called Texas buccaneers and similar names is all very well if the official opposition thinks that is the right thing to do and wishes to continue that name calling in this parliament.

Mr. Drew: Mr. Speaker, on a question of privilege, at no time has the official opposition used the expression "Texas buccaneers". It is customary for the Minister of Trade and Commerce (Mr. Howe) to make statements of this kind. On no single occasion has such a term been used.

Mr. Howe (Port Arthur): We will check *Hansard* and find out.

Mr. Fleming: Why did you not check it before you started?

Mr. Howe (Port Arthur): It was the leader of the C.C.F. party. I will withdraw and say the leader of the C.C.F. party, but certainly I have heard a good many remarks from the official opposition not complimentary to American participation in the pipe line. The remarks have extended to myself. Snide remarks have been made in this debate referring to me as a second class citizen for the reason that I was born in the United States. I have lived in Canada for 48 years, I have been a citizen of Canada for 42 years, and I think my record in Canada will stand up with anyone else's.

Some hon. Members: Hear, hear.

Mr. Drew: Mr. Speaker—

An hon. Member: Sit down before you fall down.

Mr. Drew: Mr. Speaker, on a question of privilege—

An hon. Member: Again?

Mr. Drew: —I would point out that where the minister attributes statements of that kind, which have certainly not been made by the official opposition—

Mr. Speaker: Order.

Mr. Drew: —he should identify those statements.

Mr. Speaker: Order. May I point out to hon. members that a member who is speaking is entitled to make his speech without being interrupted. May I point out further—

An hon. Member: If he is inaccurate?

Mr. Speaker: Would hon. members please be good enough to let the Speaker make his point. I do not think that the house is gaining anything in decorum by interjecting remarks when the Speaker is trying to make a point relating to order. I must say that recently in reading the blues containing what I have said I have found that in almost every sentence I have uttered there is an interjection by someone. I say that the member who has the floor is entitled to make his speech without interruption. If he says something which is not accurate, which is different from what

is claimed to be the fact by another hon. member and another hon. member is misrepresented, that hon. member does not have the right to stand up immediately and interrupt the member who has the floor. He must first make sure that the member who has the floor will permit him to make a correction. If not, he has the right to make the correction at the end of the hon. member's speech. Let us have that well understood. As long as there is consent on the part of the member who has the floor the other hon. member may do so immediately. If not, he has the right to do so at the end of the speech. That is standing order 37, paragraph 1.

Mr. Howe (Port Arthur): Mr. Speaker, I want to apologize to you. I withdrew my remark about "Texas buccaneers" too soon. I have a clipping here—"Texas buccaneers won't control gas line, Diefenbaker."

Some hon. Members: Hear, hear.

Mr. Howe (Port Arthur): I have stated the urgency of the situation as expressed by three provincial premiers. Incidentally, one was a Social Credit premier, the second was a Liberal premier and the third a Conservative premier. Therefore it is not a political issue in the provinces. They have expressed the urgent need as seen by the responsible governments of those provinces.

Obviously the opposition takes the view that there is no urgency, no need to get on with the project at all. So far there has been much more debate on points of order than there has been discussion of the merits of the project. On motions to adjourn alone I think that more time has been consumed than has been consumed by Liberal speakers since the debate began. I do not know what hon. members expect the government to do when faced with obstruction of the type we have had.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): What we have done is apply the rules of the house that were established to protect—

Mr. Fleming: Something Mackenzie King refused ever to do and which he denounced.

Mr. Howe (Port Arthur): —both majorities and minorities. Hon. members opposite are fond of quoting the mother of parliaments. What does the mother of parliaments do? Every debate in the British parliament is limited from the time that the debate is moved. If it cannot be done by agreement it is done by closure, and for debates where agreement could not be arranged it has been necessary to exercise closure an average of 21 times a year in the past five years.

[Mr. Speaker.]

Mr. Fleming: Mr. King said it had never been done in the British parliament on a money bill. You know he said that in 1932.

Mr. Howe (Port Arthur): Some say that it has not been the practice in Canada. Why? Because it is only in the last two years that the government has been faced with filibusters openly declared.

Mr. Fleming: You did not like last year, did you?

Mr. Howe (Port Arthur): When the hon. member for Prince Albert (Mr. Diefenbaker) gets out on the stump he is free with his remarks. I read a statement he made to the effect that this would be a filibuster in perpetuity.

Mr. Diefenbaker: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Speaker: Order. The minister is not resuming his seat. Once the minister concludes his remarks the hon. member can put the matter—

Mr. Diefenbaker: I simply rise on a question of privilege.

Mr. Speaker: All right, the hon. member rises on a question of privilege, but I want to point out to him—

Mr. Diefenbaker: I say that statement is not true.

Mr. Speaker: Order. If the hon. member raises a question of privilege and it turns out that his question of privilege is a fraudulent one—

Mr. Fleming: Mr. Speaker!

Mr. Speaker: The expression is being used regularly in the United Kingdom House of Commons.* I have not the reference here with me but for the edification of the hon. member I will bring it to the house. Sir Winston Churchill himself used it. He rose and said: "Mr. Speaker, have these fraudulent points of order and fraudulent questions of privilege not become a scandal in this house?"

The point I simply want to make is this. The hon. member who has the floor is entitled to make his speech without interruption except, of course, these quick interjections which go on the record. But when a member stands up and wants to take the floor away from the one who has the floor, it is either on a point of order or on a proper question of privilege but never to make a correction or to debate an argument or a point advanced by the member who has the floor. He has a right to do that at the end of the member's speech.

*(*For references see page 4032.*)

Mr. Howe (Port Arthur): Then we had the threat made in this debate that the C.C.F. would use every legal method under the rules for obstructing debate.

Mr. Coldwell: Not obstructing.

Mr. Howe (Port Arthur): They have done it to date. I will give them full marks.

Mr. Coldwell: Not for obstruction; to ensure proper discussion under the rules.

Mr. Howe (Port Arthur): You can use your words; I will use mine.

Mr. Rowe: No one would want to use the ones you use.

Mr. Howe (Port Arthur): I do not know that I need to speak any further at this time. I may have an opportunity to do so in committee or at some later stage. However, I want to say that I am proud of the fact that I am on the constructive side of this argument.

Mr. Fleming: It does not matter to you whether you destroy parliament in the process.

Mr. Howe (Port Arthur): By inclination and by training I am a builder, and I am happy in the fact that I am a member of a government that is a building government. This government is always ready when it sees a great national need or a great national urgency to move in to do its share in meeting the situation—

Mr. Fleming: And parliament be hanged in the process!

Mr. Howe (Port Arthur): —as it has done on this occasion. We know of the urgency and the need for action. Perhaps hon. members opposite will tell us the need for delay through obstruction. Personally I should like to know what it is and who are the sponsors of this obstruction and delay with which we are being faced.

Mr. Fleming: The people of Canada from whom you have no mandate to do what you are doing. Just give them a chance.

Mr. Howe (Port Arthur): We will in due course. We have given them several chances in my time.

Mr. Fleming: You have no mandate for this at all. If you think you can get one, go to the people.

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the other day I was not privileged to be present—

Mr. Howe (Port Arthur): You were speaking, though.

Mr. Diefenbaker: What was that wise observation?

Mr. Howe (Port Arthur): I said that you were speaking.

Mr. Diefenbaker: I was removed for a few hours from the conflicts of political life, and I missed the performance in this house the other day.

Mr. Pickersgill: Of the Leader of the Opposition (Mr. Drew).

Mr. Diefenbaker: If my friend the Minister of Citizenship and Immigration (Mr. Pickersgill) would just contain himself for a few moments, I should be obliged to him. After all, I am going to ask him after a while whether, in virtue of his peculiarly favourable position, he has been able to communicate with his former leader in an extra-terrestrial sphere and to secure his opinion on the attitude of this government in the application of closure the other day.

Mr. Knowles: It is on the pages of *Hansard* of 1932.

Mr. Speaker: Order.

Mr. Diefenbaker: We want to get it right up to the minute.

Mr. Garson: Let us keep to attacks on the living.

Mr. Fleming: Then you cannot talk about this government because it is dead.

Mr. Speaker: Order.

Mr. Diefenbaker: I read the arguments that were advanced the other day on behalf of the application of closure. I never believed that it would be brought in under the circumstances under which it was brought in. The Prime Minister (Mr. St. Laurent) is one man in this house who I never believed would tarnish his record by the application of closure in the way in which it was effected, not for the purpose of interfering with unnecessary debate but rather designed to secure silence—

Mr. Harris: Nonsense.

Mr. Diefenbaker: —and to use parliament as an institution in which the government may produce what it will, is able to propound any proposition it likes and, because of its majority here to know that, regardless of whether or not there is any support for it, the majority will carry it through. Through you, Mr. Speaker, I ask the Prime Minister this question: Why is it that you have not risen in your place as leader of this house, whose responsibility it is to explain when the rights of parliament are being filched away in this manner? Why

did you not rise? I say to him: I never believed that you were indeed the captive of the Minister of Trade and Commerce (Mr. Howe) who recently said in effect, "After all, rules never concern me very much". When I listened a moment ago to the lesson read by the Minister of Trade and Commerce—

An hon. Member: It was not read.

Mr. Diefenbaker: —on Canadian investment and the lack of danger in Canada from an uncontrolled investment from another country—

An hon. Member: What about the C.P.R.?

Mr. Diefenbaker: —I wondered whether or not he had read those words of Mr. Lapalme, the leader of the Liberal party in the province of Quebec, who today goes up and down the province of Quebec arguing that to too great an extent the resources of Quebec are being shipped out of that province. Here are his exact words:

> I am not opposed to the investment of American capital . . . In fact, I am in favour of foreign investment. But first we must be sure that the interests of the province are protected . . . The riches of the province are being carried away in boats flying the Stars and Stripes.

Mr. Speaker, as to these proponents of closure, what attitude do they take? They have one type of speech in parliament and then those three musketeers—the three ministers of this cabinet—go down to the province of Quebec and, chameleon-like, change their attitude as they campaign in a provincial election. I need not say who the three are. The Minister of Northern Affairs and National Resources (Mr. Lesage) leads them. The Minister of Transport (Mr. Marler) and the Minister of Veterans Affairs (Mr. Lapointe) follow. These are the ministers of the government—

An hon. Member: You missed one.

Mr. Diefenbaker: —who speak with one voice here and another voice there.

Some hon. Members: No.

Mr. Diefenbaker: I ask the Prime Minister this question: Will you explain that capacity for double talk? I commence with that.

Mr. Garson: What has this to do with the pipe line?

Mr. Rowe: It seems to have something to do with you.

Mr. Pickersgill: Talk to the hon. member for Three Rivers (Mr. Balcer).

Mr. Diefenbaker: Mr. Speaker, I did not believe that closure would be applied. Of course, I did not realize this fact. As was said of Wolsey in the biography of Henry VIII, I did not realize that the Minister of Trade and Commerce was not only head of a number of departments but also the actual man in control of the cabinet. I know of no other person in history since the days of Wolsey who ever occupied that position. These are the words in the life of Henry VIII:

> He (Wolsey) stood at the crossroads of every negotiation and openly demanded his perquisites.

The perquisites here are that the Prime Minister (Mr. St. Laurent) should abdicate his belief in democratic principles and deny those in opposition the right to advance their arguments and to educate public opinion or to find out why there is such solicitude on the part of the members of this government. For five long years this pampered pet, Trans-Canada Pipe Lines, by deviation, by change of direction, by protestation, by alteration in course, has postponed that estimable end of securing a market for Alberta gas and the making available to other parts of Canada of that necessary form of energy. I ask the Prime Minister today to tell this house why he is so fearful of the facts; why he was afraid to allow the true facts of this nefarious scheme to be elucidated? I ask why he found it necessary, and the members of his government found it necessary, to muzzle the representatives of the people in advance of anything in the nature of a filibuster or an interference on the part of the opposition with the policy and program of the government. I ask him to explain that today, for certainly the day of silence is past. Are they afraid of the truth over there? Is that why they hide behind the caricature of parliament which they have substituted by the adoption of the parliamentary form of closure in a way that it has never been adopted before? Only once in history was it ever adopted in our country during the progress of a resolution, and then only after more than 10 days of debate.

Mr. Rowe: A month from the time it was introduced.

Mr. Diefenbaker: And after some 10 days of debate. Why did they adopt this measure in anticipation? The Minister of Trade and Commerce (Mr. Howe) said that I had made some statement. The statement I made was this. We in the opposition would see to it that this indeed would be no skirmish if the rights of parliament were in any way to be interfered with. They are afraid of the truth, afraid of an election.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Yes, they are afraid and we challenge them, sir, through you, Mr.

Speaker, to submit this ramshackle caricature of national development to the people of Canada.

The Minister of Trade and Commerce says that after all it really does not matter where the money comes from or where the control is so long as the laws of Canada are on the statute books. Then, a few moments ago he told us that the reason nothing had been done in recent years was that we need markets in the United States, and because of the opposition before the federal power commission this important project had been held back. In other words, regardless of the laws of Canada the disposal of a great Canadian resource is to depend on the caprice of a foreign board. One can quote Mr. Mackenzie King over and over again when it comes to parliamentary procedure. He spoke on this subject over and over again, but we will go back a little farther than Mr. Mackenzie King. I quote from Mr. Rodolphe Lemieux, once the holder of the distinguished position that you occupy, sir. This is what he said on August 30, 1917 and it is so applicable to what is happening here:

> This is nothing else but a raid, and it is because it is a raid perpetrated on the Canadian treasury that it has to be done by closure.

That was closure adopted after days of argument.

> A raid must be made quickly and sharply, it must be done in the dark far from inquiries . . .

Is that the reason closure was applied? Were you afraid of public discussion? Did you fear the examination of this project? The Prime Minister will be able to give his answer, other than the general answer of yesterday which was the first one pried from him at any time during this debate. What is parliament without debate? Sterilized, it maintains the form and not the soul. Is the government afraid to submit this absurdity to the examination and revealing process of analysis by parliament? Why the adoption the other day of closure in anticipation of debate, a dangerous expedient at any time and an inexcusable one when adopted under the circumstances, before there was any debate in this house or any consideration whatever of the measure?

What is the position of the opposition? The position of the opposition, Mr. King stated over and over again, was the position of a vigilance committee to assure that measures brought before parliament by an overwhelmingly powerful government would not be translated into legislation, when it appeared in any way a raid on the treasury, without a full consideration by parliament. One of the great writers on this subject, Redlich, page 49, volume 1 of his book on parliamentary government, says this:

> The feeling of the universal benefit conferred as a rule by strenuous and powerful opposition is one which centuries of experience have worked into the very flesh and blood of the English nation.

Some mention was made today of the fact that in Britain from time to time they apply closure. They have a means in the House of Commons in Britain of securing the facts from any government. They have the right at their disposal, at adjournment time, to move for the discussion of any matter in respect of which they have not received the information that they desire. If closure is brought into effect, it is brought into effect after consultation and determination as between the parties and the Speaker and is designed to assure full discussion while preventing anything in the nature of continuous, unjustifiable opposition to government measures.

Having said that, I repeat that it is a matter of wonder to me that the Prime Minister should have allowed himself to be dominated in the way he must have been to have permitted this inexcusable affront to parliament and this denial of parliamentary rights.

I am now going to discuss something of the nature of the proposals before the house.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What is the record of this company, Trans-Canada Pipe Lines Limited? For five long years we have been waiting for action. Throughout that entire period this company has played a monopoly game without chance. Its attitude has been one of artful juggling. It has changed its front from year to year. From year to year this cobweb of colourful finance has been spun.

They started with the idea that they could finance themselves. They said they needed no government help. They secured an incorporation on that basis, and having designedly made the allegation that under no circumstances would they ask for assistance, they began that tortuous course they have followed ever since. First they said, "We will ship directly to the Ontario and Quebec markets and provide the necessary pipe line." Their next attitude was, "We will change that; we need United States markets and we will build a spur line to the United States boundary and that spur line will supply the great needs of the middle west."

They were able to contact in the United States three companies named by the Minister of Trade and Commerce who were prepared to pay a real price, a price far in excess of what is to be paid today by the

Western Pipe Lines company. Today the Minister of Trade and Commerce says the reason this was not gone ahead with was that there were complaints from the consumers. Nothing of the kind. That statement is unjustified, for after a lapse of a few months and consideration being given by the federal power commission, suddenly the whole matter was dropped by Trans-Canada Pipe Lines.

Their next proposition was that they would have to get some assistance in order to bridge northern Ontario. No; I am ahead of myself. As a matter of fact it is difficult to follow this company in the labyrinth of financial manipulation, and one is apt to forget the changes of front that have been made. First they asked for a guarantee of assistance from the industrial development bank, and that was denied. Then they came along with a new proposition, a complete change of front. They said they would need assistance by way of the creation of a crown corporation to bridge that area of northern Ontario which would be unprofitable.

So the changes have gone on. Throughout that entire period, whatever change of front this favoured corporation has made, how often it has altered its course, it has still been able to command the benediction of the Minister of Trade and Commerce, and today he is joined with the amens of every member of the cabinet. Why? Why does this corporation enjoy such a peculiarly favoured position in the heart of this government? Why are competing corporations given no opportunity even to submit a proposition? Those are questions on which we require information; those are questions on which we have a right to obtain information.

Let us follow the course of the Minister of Trade and Commerce. In March, 1953, he said this was economically feasible to build. He was the man who was able to secure the merger of Trans-Canada and Western Pipe Lines. He said, "There is no danger at all; there is no reason for delay. In March of 1953 he said, at page 2929 of *Hansard*:

> The policy of the government of Canada is to refuse permits for moving natural gas by pipe line across an international boundary until such time as we are convinced that there can be no economic use, present or future, for that natural gas within Canada.

A little later on in that speech he said:

> This government has reason to believe that it is economically feasible to build a gas pipe line from southern Alberta to Toronto and Montreal, serving the intervening Canadian cities.

And then this master of optimism said this on December 1, 1954: "I believe that the construction of Trans-Canada will begin in 1955; that the building of the pipe line from Alberta to Winnipeg and south to Emerson will be completed in that year and the complete line will be built to Montreal in 1956."

What was the justification for that optimistic attitude? Why the continuing enlargement of the period within which this favoured pet of the government is prepared to extend and extend again the time of completion? I ask, why this change of front? Why has the government—and I ask the Prime Minister to give an answer on behalf of this government—displayed such solicitude, such a keen feeling of regard for this corporation? Why has the permission to extend been granted over and over again? Why, after the delay of five long years, this unusual rush for action in 1956? Why? This is a question that has never been answered.

A while ago the Minister of Trade and Commerce described the men who are connected with this company, the founders, as it were; the Clint Murchisons of Texas. While Clint Murchison has not the controlling interest today, he is the owner of Canadian Delhi and, through that company, he will own over 25 per cent of all the stock of Trans-Canada Pipe Lines. According to the records today, of the 1,928,183 shares Mr. Murchison, as the head and owner of Canadian Delhi, will have 497,000 shares. It is true, as I said a moment ago, that he is no longer on the executive of Trans-Canada Pipe Lines.

Who is this man Murchison, this builder, this man who is so interested in Canada? His biographical sketch was written in 1954. It is a revealing one. It begins by saying: "According to affectionate legend, he has found and has been able to add $1 and $1 and get $11 million." That was two years ago, before he improved on that previous record. It says in his biographical sketch:

> He possesses the popular Texas ambition of buying the rest of the United States.

That was two years ago. While the biography was being written, and since it has been written he raised his sights. It goes on to say, and this is a great description of this man, this beneficiary of Canada:

> His companies are as varied as a pirate's treasure.

That is an appropriate description. The mention of pirates does not require too much amplification. It adds:

> He juggles multi-million deals with the unconcern of a racetrack teller counting $2 bills.

Then it quotes him as saying, following the success that he has had over the years:

> Cash makes a man careless.

Well, that is one part of the biography that certainly is not lived up to unless the

[Mr. Diefenbaker.]

cash comes from the Canadian government. "Cash makes a man careless." It goes on to say that his life is given to spinning new companies. Then it states:

He expects no trouble in having Trans-Canada Pipe Lines built by 1955.

He still has 25 per cent. Here is a revealing statement, sir. He is asking how he does his financing and this is his secret of finance: He has a system of "financin' by finaglin'."

Mr. Speaker, this is the man who more than anyone else conceived this plan for Canada's gas. This is the man, along with those who are now connected with him, to whom this country is asked through the medium of closure to turn over monopoly control of one of Canada's great and exhaustible resources. Yes, this is the man who was accepted at face value by this government through the years, and who even today is in a position where by virtue of the stock percentage he controls he would be able to go a long way to control the company.

Now, sir, I am going to read for a moment something of the record week by week and almost day by day of the announcement of this company since 1951. On February 22, 1951, the Toronto *Star* said:

J. R. Tolmie, counsel for T.C.P.L. outlined plans for a 2,200 mile pipe line from Alberta to Montreal. The company plans to spend $250 million on the project. Mr. Schultz said that the initial outlay would be subsidized by United States capital. It was planned to split the Canadian firm from the United States company as soon as possible, and Canadians would be given an opportunity to buy stock.

Then on January 2, 1952, again from the Toronto *Daily Star*:

A spokesman for Mr. Schultz denied a statement by Hon. W. S. Gemmell, Ontario provincial minister of mines—

And said—

. . . that his company were satisfied, that if they could only get permission to carry the gas out of Alberta it would not need any government capital investment.

A little later on, on April 3, 1954 the Toronto *Daily Star* said:

Trans-Canada Pipe Lines expects to build the proposed pipe line from Alberta to Ontario and Quebec, without direct government help, vice president Frank Schultz said today. His firm would not contemplate getting less consideration than the Interprovincial Oil Lines in regards to sales tax and other concessions. His firm expects a pretty rough time at the start, but it expects to walk on its own feet. He said that signed contracts with distributing firms were expected to provide enough guarantee to make bonds acceptable to insurance companies, and the company did not need a government guarantee for its bonds.

Northern Ontario Pipe Line Corporation

The record year by year is one of deceptive finance, false promises and unjustified hopes. The Toronto *Daily Star* of May 14, 1954, said:

N. E. Tanner—

—he is now president—

—said that construction of the pipe line will start early next year. Gas is to start moving no later than December 31, 1955. He expects it to be feeding Winnipeg by late 1955, Toronto and Montreal to be hooked up by 1956.

Then on June 15, 1954, the following appeared in the Toronto *Daily Star*:

Nathan Tanner, president of Trans-Canada Pipe Lines, said . . . construction is due to start July 1st this year. He said that some pipe had already arrived. He stated that now the transport board in Ottawa had assured his company that they would get the necessary authority for the Trans-Canada line, plans are under way to get construction started in the spring of next year. He said that the financial success of the whole Trans-Canada project would not be affected if his company was unable to get the necessary permit from the United States federal power commission in Washington to sell gas in Minneapolis and St. Paul.

Surely, sir, the ramifications inherent in statements like that are not a foundation upon which to build faith in a company with a record as uncertain as has been the record of this company.

Then on June 18, 1954, it is reported in the Toronto *Globe and Mail*:

J. Ross Tolmie, counsel for Trans-Canada Pipe Lines, said that it wanted to make a start next spring on the first leg of the line from the Alberta-Saskatchewan border to Winnipeg, and then south 60 miles to the American border. He asked for interlocking permit similar to that granted the company by the Alberta Natural Gas and Petroleum board.

On July 29, 1954, the Toronto *Daily Star* reported:

Mr. Tanner announced that newly formed company Bechtel, Mannix and Hester will be in charge of design, engineering and construction of the pipe line. Granting of the permit by the transport board was all the company had been waiting on to go ahead with the Alberta-Montreal line. The contract with Bechtel, Mannix and Hester calls for the completion of the project by the end of 1956. The company will be selling gas in Saskatchewan, as far east as Winnipeg, and to the Minnesota area by next fall—

That is the fall of 1954.

—and Toronto and Montreal a year later.

And so on, page after page of statements, promises and things hoped for, whose only purpose could have been to delude; yet all through this picture this government, having been deceived over and over again, still continued to give its benediction and continued to deny alternative companies the opportunity to have their plans made known to parliament.

Northern Ontario Pipe Line Corporation

On August 10, 1954, the Toronto *Daily Star* reports Mr. Tanner as saying:

> The construction of the pipe line will start next spring. It will be completed to Winnipeg and Emerson for exporting to Minnesota by November 1955 and to Toronto and Montreal the following fall.

Then on September 23, 1954, the Toronto *Daily Star* reported:

> Trans-Canada Pipe Lines has concluded an agreement for the sale of gas from pipe line to Northern Natural Gas Company, a distributor servicing the Minneapolis and St. Paul area of Minnesota, it was stated by N. Tanner. The company had agreed to sell and Northern to buy 100 million cubic feet of gas daily, starting fall of 1955. The following year, the agreement calls for stepping up delivery to Northern to a rate of 150 million cubic feet daily.

Then on October 22, 1954, the Toronto *Star* reported:

> Mr. Tanner assured Transport Minister Howe—

That is the way the description appears in the paper; there is a mistake in the portfolio.

> —that plans for financing gas line $300 million will be completed by December 31 deadline drawn up by transport commissioners. He assured the minister that financing plans were proceeding satisfactorily. Surveys were being completed in the west to determine the completion of the line. The pipe line will get under way next spring as planned.

What manner of foolish deception is this? Has this company in the last few weeks sprouted the wings of determination that will result in the early completion of this line when for five long years it has followed a course of continuing to issue optimistic statements which it must have known there was no hope of achieving?

The Toronto *Daily Star* of November 9, 1954 reports Mr. Tanner as saying:

> . . . the proposed pipe line was a sound project, and construction would start in spring of 1955. Gas producers, pipe lines and municipal distributors were all going to have to take a little less in the first year of operation of the pipe line. Both Canadian and Alberta governments were encouraging the company to get on the job.

And so on since. Everywhere, day by day through 1955, statements were issued that everything was being done. On April 18, 1955, in the Toronto *Daily Star*:

> Trans-Canada plans to build a 370-mile pipe line (24" diameter), from Toronto to Montreal this year, at a cost of approximately $29 million. This company had not abandoned plans to extend into Ottawa this fall, but this might depend on whether the market could be built up sufficiently beforehand.

On June 9, 1955 in the Toronto *Daily Star*:

> A natural gas pipe line from Toronto to Montreal may be built this year, said A. P. Craig, vice president in charge of sales Trans-Canada Pipe Lines said today.

All those statements indicate the labyrinth of financial twisting and turning which has characterized this company. Now, in 1956, the government finally says that something must be done, and it is going to advance up to 90 per cent of the necessary money to construct the first portion of the pipe line. The company is required to repay, as provided for in the agreement, within a period of some nine months.

This brings me to the point raised today by the hon. member for Winnipeg North Centre. There is something very strange about this bill. Whilst one cannot refer to clauses in particular, nonetheless a reading indicates that this bill is to be implemented by agreements already completed or which will be signed after the bill is passed by parliament.

What does that mean? Here is another example of a loophole whereby this company will be able, because the actual agreement is not incorporated as an appendix, to evade its responsibilities with the assistance and connivance of the government. A new agreement can be entered into, other terms can be substituted, alterations can be made, and regardless of any term in that bill as to the date of completion, the changes that can be made will enable this government to grant to its favourite an extension over and above the period fixed in the bill. That clause clearly indicates that future agreements can be made; and if they can be made, it means that parliament is asked to accept and ratify in anticipation any changed agreements that are made at any time between the government and this company.

There has been a change recently. Mr. Gardiner Symonds has come into the picture. I am not going into particulars with regard to this gentleman, except to say that he too has a biography that is set out in detail in *Business Week*. It indicates that this man has indeed been a tremendous success in bringing together various pipe-line companies in the United States, and also in establishing and building new ones. In 1954 his company marketed 6 per cent of all the natural gas marketed in the United States, and that amount has been increased in 1955.

It is interesting to know, as far as Mr. Symonds is concerned, the man who is to be the guardian of Canadian interests, that he has already made a deal in anticipation with Trans-Canada Pipe Lines, a company of which he will be one of the major shareholders, whereby Mr. Symonds' companies in the United States will benefit to the extent of $2 million a year for 25 years. Already he has made that arrangement. Already the price that is to be paid by Midwestern Pipe

Lines company in the United States is so much lower than that offered by Natural Gas and the other two companies associated with it that Mr. Symonds will reap a profit on the basis of the anticipated supplies of this pipe line of approximately $20,000 every day in the year.

That is the kind of thing that demands to be looked into. That is the kind of thing that demands investigation, examination and consideration by parliament. That is the kind of thing that this government is trying to avoid and tried to avoid in the resolution stage, when it would be possible to ask questions, by the application of closure, thereby denying that investigation in which parliament has the responsibility to engage when so vast an undertaking as described by the Minister of Trade and Commerce is being foisted upon this house and the legislation forced through by that dangerous medium of the closure.

Yes, it is interesting to know this. We in parliament tried for days and days to find out any alternative plan. We tried to find out the McMahon plan, which was referred to in the press. We endeavoured to secure information in that regard, but strangely enough we could not do so. I am not going to read the record, but it is a record of recklessly false statements made by the government in denying the existence of these letters. Parliament was treated as a pawn to be ridiculed by the government. We asked for production. "There are no documents," was the answer. If the Minister of Trade and Commerce had desired to rely upon the confidentiality of those letters, he would have said, "They are personal and confidential." But nothing of the sort. He said, "There are none."

Then you ask us why we on this side of the house view with some concern and suspicion the amazing solicitude of this government for this chosen instrument which for five years has fooled this government and the Canadian people. Parliament could not see the documents. These documents were personal and confidential. Apparently the delusion that was perpetrated on this house by that denial of the existence of those documents was removed only when it transpired that there were two other copies, the existence of which caused such terrible annoyance to the Minister of Trade and Commerce. Then, in his annoyance that there were other copies, he revealed the existence of these copies after a communication by telephone, at the suggestion of the opposition that Mr. McMahon might consider the removal of the veto of confidentiality.

But what about Mr. Symonds? He knew what was in those letters. He knew what the McMahon plan was. He was in Ottawa early in April. Parliament is denied the existence of the letters, but oh, not Mr. Gardiner Symonds, described as the supersalesman of this generation. During the period of his visit he made a speech at a luncheon meeting of the Canadian Club of Montreal, and in the Montreal *Star* I find a report of what he had to say. First of all he dealt generally with the plan and how beneficial it would be to Canada. Then there is the following in the report:

> Mr. Symonds also noted that the Canadian system would be able to take advantage of the storage facilities for gas available to Tennessee in the United States—

It is the Tennessee Corporation in the United States, of which he is the head.

> —and which were superior to storage available in Ontario. Commenting on reports that a rival group was putting in a bid to build the trans-Canada pipe line, Mr. Symonds said, "I don't think it is serious."

Well, it was serious enough for Mr. McMahon to visit Ottawa on two occasions. It was serious enough for him to set out his plan in detail. It was serious enough for him to point out in the correspondence with the Minister of Trade and Commerce that the Trans-Canada Pipe Lines plan would be ineffectual and inoperative and that it could not be implemented.

Strangely enough the Prime Minister never heard of the McMahon plan. I believe him, as all of us will believe him; but is that not a terrible commentary on the fact that this government has one minister who carries around in his pocket an alternative plan for this magnificent development, as it was described today, this development that according to the minister even exceeds the St. Lawrence waterway? With McMahon having submitted a plan, having pointed out the shortcomings, the impossibility of Trans-Canada Pipe Lines ever doing what it had promised, surely further proof was not necessary after five long years of changing course, of crab-like advance. Then Mr. Symonds went on to say:

> The announced competition came from Frank McMahon, an Alberta multimillionaire oil and gas promoter. Mr. Symonds said he had looked over the facts and figures presented by the McMahon group and could not see how they could be taken seriously.

Who showed them to him? Was he shown them when he visited Ottawa?

Mr. Howe (Port Arthur): No, sir.

Mr. Diefenbaker: Was he given a peek? That is the kind of thing we want to know. That is what closure was designed to preclude and prevent. Yes; hide the documents; deny their existence, then plaintively appear in the

House of Commons when you find they have become publicized, because there were two other copies, and in indignation describe how unfair it was that they became public property. We want to know how Mr. Gardiner Symonds found out about this. You can be sure McMahon did not show it to him, because he was a competitor. Who did? He knew when he spoke in Montreal on the 10th day of April what the McMahon plan was. He knew, the man who is going to make these millions I mentioned a while ago, the man whose plan will not assure to the producers of Alberta the same high return that would have been assured had Northern Natural Gas and the other companies been given an opportunity to carry out the plan they offered and the arrangements they produced.

Mention was made by the minister of the Northern Natural Gas Company of Omaha and these other companies. I asked for the production of documents, and certain documents were produced. It is very strange to read these documents. These companies are the major companies in the middle west. They are not in the position of raiders of a territory already allocated to them in Minnesota and adjacent states. They are there. The great fight today before the federal power commission is with the Gardiner Symonds' company, Midwestern, which is the raider interfering with and overrunning the area which these three companies and others are serving. They already had the marketing potentialities. They were there. They offered to take tremendous amounts of gas.

A reading of the documents indicates that some unusual things took place which suddenly altered the course. The minister says today that he was approached by them and that he said, "Of course I have nothing to do with this", and asked them to get in touch with the representatives of Trans-Canada. This is very interesting. Read the letters. On July 21, 1955, there is a letter from Northern Natural Gas Company, John F. Merriam, president, to Right Hon. C. D. Howe, which letter reads:

> Attached is a conformed copy of a letter proposal which has been today mailed to Trans-Canada Pipe Lines Limited by Northern Natural Gas Company, People's Gas, Light and Coke Company and American Natural Gas Company. It is the hope of the three companies that the proposal will be helpful in providing a solution to the natural gas export problem. We will be glad to discuss this with you further, or with anyone you would designate, if it would be of assistance.
>
> Yours very truly,
>
> John Merriam.

To that letter the minister replied as follows:

> Dear Mr. Merriam:
>
> Thanks for yours of July 21 sending me a copy of your letter to Trans-Canada Pipe Lines Limited. I had a talk with Mr. Tanner and some of his associates this morning and understand that he will have a discussion with you shortly. I am hopeful that a program can be worked with you and your group that will make it unnecessary to deal with others proposing to serve your territory. I will let you know if there would be any purpose in your group coming to Ottawa for further discussions.
>
> Yours sincerely,
>
> C. D. Howe.

That is quite a different matter from the coloured description given by the minister today. A plan was set out in detail whereby the three undersigned companies would organize and own a new company which would propose to receive natural gas from Trans-Canada at the United States-Canadian border south of Winnipeg in the fall of 1956 in such authorized quantities as were available. The three companies would propose to absorb in their three billion cubic feet per day pipe-line systems such volumes of natural gas delivered to them as were not required for delivery in eastern Canada, in the Windsor-Sarnia area. They proposed to spend $30 million to build a 400-mile connecting pipe line from the Winnipeg border to the one billion cubic feet per day pipe-line system of Northern Natural Gas in the Minneapolis area.

Mr. Howe (Port Arthur): Does it say what price they were going to pay?

Mr. Diefenbaker: The price was set out earlier in detail. I do not have it here but I think it was 29 cents per thousand cubic feet.

Mr. Howe (Port Arthur): That was formally withdrawn.

Mr. Diefenbaker: That is the figure I have in my mind, and I am not usually mistaken about numbers.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is a great deal higher than is being offered today by the Midwestern company that has no sales area under its jurisdiction. That is a raiding corporation. If the federal power commission of the United States follows its judgments given in the past, it will deny to any other company the right to come in there because the system in effect in the United States, as recognized by the supreme court of the United States, is that it is in the best interests in public utilities, so long as the public interest is protected by powers such as the transport commission, that no area should find itself competed for when those occupying and serving that area are rendering reasonable service and are not mulcting the consumers.

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

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: Mr. Speaker, my hon. friend has already received the commendation of the Minister of Trade and Commerce and I do not want to interfere with that favourable relationship. I would suggest that any information he has to convey personally or by questions be conveyed to the minister and not to me.

An hon. Member: The gag.

Mr. Deputy Speaker: Order. The hon. member who has the floor cannot, of course, be interrupted without his consent.

Mr. Diefenbaker: This letter concludes in this way:

> We wish to repeat that our three companies are the only ones who can either build a major pipe line all the way from the Winnipeg border to eastern Canada for maximum volumes, or build piecemeal in smaller steps to handle minimum volumes.
>
> No one else can do this.
>
> We are prepared to extend to you and the Canadian authorities the full co-operation of our companies in working out the program of handling the gas supply question in the best possible manner for the public interest of our two countries.

What I have quoted to you is from letters tabled in this house which indicate that at least an offer was made that caused the minister to say, "I hope you people can come to an arrangement". Then in order to show on what affable terms things were conducted I read you first the telegram from Mr. Tanner to John Merriam, president of Northern Natural Gas Company and dated August 8, 1955:

> Am unable to advise more definitely at this time. Use your best judgment regarding proposed study.
>
> Eldon.

That telegram is signed "Eldon", a fact which indicates a fairly friendly relationship at that time. Then the Minister of Trade and Commerce said, "I hope you people get together". In his letter he said he hoped they would get together and that "a program can be worked out that will make it unnecessary to deal with others proposing to serve your territory". Then on August 15 we have the following wire:

> Mr. John Merriam:
>
> Further to my wire to you August 8, Trans-Canada has executed a contract which meets its requirements.
>
> N. E. Tanner.

That telegram is signed "N. E. Tanner". What happened between those dates? What things transpired? What changed the "Eldon" relationship to a business relationship? Why the alteration in course? The minister tried to give an explanation today to the effect that they could not get together or something of the sort. Actually, it is interesting that it was at this point that this master salesman Symonds entered the picture.

Those are things we want to find out about. Those are questions that must be asked. If we ask them of the government and if we get the kind of answers that we received in reference to the McMahon letters, the replies will not be as valuable as the facts might warrant. Yes; what about Mr. McMahon? He made an offer. He set it out in detail. He showed what he would do. That statement is contained in his letter of April 24, 1956, to the Minister of Trade and Commerce, detailing every possible eventuality, giving the particulars that only a definite offer would possibly include. It was naturally marked "private and confidential". It is to be communicated to the government. The letter is addressed to the Minister of Trade and Commerce.

Mr. Howe (Port Arthur): It is addressed "Dear C.D.".

Mr. Rowe: What a darling he is!

Mr. Diefenbaker: Yes; "Dear C.D." That is where the mistake was made. The letter is addressed to the Minister of Trade and Commerce—"Dear C.D."—setting the matter out in detail. He did not want the plan he was offering made public to every possible competitor in this country. He was offering this to the government, the only instrument of government that he could communicate with. Yet the Prime Minister does not hear anything about it. There are pages of plans—

Mr. Rowe: All confidential.

Mr. Diefenbaker: —submissions, and detailed criticism of Trans-Canada; but none of that letter ever came to the attention of the man who is Prime Minister who, after all, in his being represents the government of Canada. Private and confidential? Can you not see the minister going down side streets with the document hidden in his pocket marked "private and confidential", super-secret? With a document like that, I wonder he did not have a bodyguard protecting the revelation. My, what solicitude! We were told by the minister, "I never got a letter; there is no document." He knew "What I am carrying in my pocket, as I deny in the house, is just about twelve pages of plans and schemes and offers and quotations." Yet he says, "I have no document".

Northern Ontario Pipe Line Corporation

Mr. Speaker, we want to break through that wall of secrecy that the Minister of Trade and Commerce has built not only around himself and parliament but around his colleagues in the cabinet. I shall just read a few lines in the letter—there is a long letter of April 4—which starts off in this way:

I appreciated the opportunity of seeing you on March 27 in Ottawa to discuss an alternate proposal to supply Alberta natural gas to eastern Canada. Confirming my representations to you at that time, I am prepared to undertake a Canadian-owned, privately financed project to construct an economically feasible gas pipe line from Alberta to Montreal if Trans-Canada is not immediately able to present a suitable proposal and some plan to break the present deadlock which is preventing the construction of the eastern Canadian pipe line.

What more do you want? "This is my proposal", he says. How else do you submit a proposal before it is actually translated into the formality of a legal document? Then he goes on to say this:

The closest and most logical market for surplus Canadian gas is in the existing pipe-line companies and distributors in the great plains-mid-west area of the United States. The three companies which presently serve this area, the American Natural Gas Company, People's Gas Light and Coke Company, and Northern Natural Gas Company, are prepared to purchase from a truly Canadian pipe line 400,000 mcf per day of gas at Emerson, Manitoba, under a 25-year contract to supplement their own supplies of gas. With this sale an all-Canadian pipe line project is economically feasible on a sound business basis without government financing or debt guarantee.

Had not McMahon proven that before? Had he not proven his capacity? He had already done that in another company.

Then it goes on to say:

With this sale an all-Canadian pipe-line project is economically feasible on a sound business basis without government financing or debt guarantee. These companies want no stock-interest in the Canadian pipe line company and in fact they desire that international dealings be on an arms-length basis.

Then he says:

It is further evident that Trans-Canada is controlled by United States financial interests and that it is influenced and dominated by Tennessee Gas Transmission Company. The plan proposed by Trans-Canada strongly favours Tennessee Gas Transmission Company to the detriment of Canada.

Was it because these letters contained that damning indictment that they were hidden? Is that the reason? After all, McMahon had established his right to know. He says:

I am firmly of the opinion that the Trans-Canada proposal to receive governmental subsidy through the crown corporation "bridge" and to sell gas for underground storage in the United States rather than to use southern Ontario underground storage to the fullest extent is not in the best interests of Canada.

[Mr. Diefenbaker.]

Mr. Speaker, when you are asking as to what is in the best interests of Canada, don't you believe that a Canadian could possibly give you as good advice as those from the Tennessee corporation in the United States?

With this in mind, I am enclosing a second memorandum which outlines the basic fault of the Trans-Canada plan.

The Prime Minister was never allowed even a peek at it, yet the cabinet had to decide which was the best. Apparently they had no benefit of any criticism of the plan that was submitted to the cabinet, although the responsible minister had the document in his pocket. It does look strange. It does ask for the opening of the gate just a little bit. It does demand that the searchlight of investigation be permitted to light up these darkened places. Never before has a pocket been such a dark place.

He goes on to say:

The three customer companies in the United States are strong organizations and are prepared to employ all of their resources to effect my alternate proposal. I am assured that necessary authorizations can be obtained in the United States in sufficient time to make possible an adequate supply of natural gas in Saskatchewan, Manitoba eastern Ontario and Quebec by the fall of 1957 and the completion of the entire pipe-line project by the fall of 1958.

Then he sets out a memorandum for the Alberta to Montreal pipe line. He says:

I will finance and construct an economically feasible pipe line from Alberta to Montreal and complete the same by 1958 without federal or provincial ownership or debt guarantee.

The other day the Prime Minister ridiculed the fact that he had offered to put up $500,000 as a bond to carry out that promise. Mr. Speaker, that was $500,000 more than this favoured Trans-Canada company has ever offered to put up or has put up.

As soon as Alberta and Canadian federal authorizations are obtained, and while authorizations in the United States are being obtained, I will place sufficient equity money and arrange for interim loans to permit the construction of the 34-inch pipe line from the closest gas fields in Alberta to Winnipeg to supply gas to Saskatchewan and Manitoba by late 1956 or early 1957.

What about the minister's bogey today that unless we accepted this plan we would not get gas into Winnipeg? On the one hand there is a company that has carried out its promises, McMahon, and on the other hand there is this Trans-Canada Pipe Line company that over the years has carried out no promise except to promise to do something at an unknown date in the future, whenever it gets assistance from the government.

Then, the Minister of Trade and Commerce says, what does it matter after all where the money comes from? What did Mr. McMahon say?

> We have oil and gas production and properties valued far in excess of $100 million considering only contracted production income, and we are in a position to put up $40 million to $45 million into equity and arrange interim loans to provide the some $80 million required for the construction of the pipe line to Winnipeg as the first phase of the complete project to Montreal.

What is wrong with that? I ask the Prime Minister, why do you evade McMahon and his plan as if he were the plague? Is there something wrong? Was there something untouchable about him? He says:

> The project will be Canadian controlled with not less than 70 per cent of the equity owned by Canadian companies and individuals.

That was an alternative not placed before the Prime Minister. I continue to quote:

> The capital cost of the project will be financed without government ownership or debt guarantee.

I ask the Prime Minister, when he speaks, to say whether he would have done what he has done if that same document had been brought to his attention and McMahon had shown his financial responsibility. Why come to parliament and ask us again to bail out this company? This reminds me so much of the ne'er do well nephew who over and over again is bailed out by the doting uncle. He says:

> The pipe line will sell, under long-term firm contracts at Emerson, Manitoba to American Natural Gas Company, People's Gas, Light and Coke Company and Northern Natural Gas Company, a volume of 400,000 cubic feet per day.

Some hon. Members: 400 million.

Mr. Diefenbaker: These large figures are a bit disturbing, but what is a million anyhow?

> These companies are in a position to pay the best price for surplus Canadian gas to supplement their supplies.
>
> The pipe lines of these United States customer companies are already or are easily interconnected, so that only minor additional facilities are required, making it possible for them to pay a higher price at the border than any other company.

Would the Prime Minister not have given consideration to the McMahon plan if he had known that this company, already established and not dependent upon the illusory possibility of confirmation of plans by the federal power commission, was prepared to pay more than any of these other companies? Surely, Mr. Speaker, this document that remained ensconced in the bosom of the Minister of Trade and Commerce, if it had ever been revealed to the light of day would at least have been an argument to be considered by the cabinet. But no; the Prime Minister honestly told parliament, "I never saw it".

Now we come to the last part of this momentous document, the memorandum re basic faults of the Trans-Canada plan:

> An all-Canadian pipe line can be built from Alberta to eastern Canada on a sound business basis without government financing or debt guarantee provided that the pipe-line company is constituted to further the interests of Canada and sell surplus gas in sufficient volume at an economic price to the existing pipe lines which now serve the great plains-midwest area of the United States.

The right hon. gentleman says that we are anti-American. We are not; we are pro-Canadian. That is the difference. We think it is pro-Canadian to get the largest possible price from an available market rather than turn over this natural resource to the vagaries of decisions by a foreign board. Sir, Trans-Canada as constituted at the present time is controlled by United States financial interests—this is what this memorandum says—and is dominated by Tennessee Gas Transmission Company, so the principal interest behind Canada's pipe line is dealing with itself as the principal purchaser in the United States. I continue:

> Trans-Canada, so influenced and dominated, proposes an uneconomic plan to favour Tennessee Gas to the detriment of Canada and at the same time requests the governments of Canada and Ontario to subsidize the $122 million pipe line "bridge" across northern Ontario in order to make it possible to put the proposal into effect.

Has there ever been an indictment of the plans of any company to equal that, Mr. Speaker? It is detrimental to Canada and detrimental to the producers in Alberta, since the price they will receive will be less because these companies that are to be preferred in the United States, the dominated puppets of Gardiner Symonds, are dealing with themselves. Now we begin to understand why it was, as I mentioned earlier, that he stood to make $20,000 a day for his parent company.

Here is his position. He has a dominating influence in Trans-Canada, the vender that is supposed to get the best price, and dominating interests in three western pipe-line companies that are trying to get gas at the lowest possible price. In the clash of interests like that I ask the Prime Minister who would win?

Mr. Hodgson: Heads I win, tails you lose.

Mr. Diefenbaker: It says this:

> The Trans-Canada plan contemplates the sale of gas to Tennessee Gas Transmission Company and a subsidiary at Emerson, Manitoba, and Niagara Falls, Ontario. Gas sold at Emerson would be used by the Tennessee Company in the great plains-midwest area of the United States to invade the duly franchised market areas of the present pipe-line companies and the utilities which they serve.
>
> The existing pipe-line companies and utilities in the great plains-midwest area of the United States are the logical markets for Canadian gas and are best able to pay a fair price and purchase

large volumes for their present markets. Instead of selling gas in this market to the existing companies, Trans-Canada proposes to sell its gas to a company which cannot pay a fair price because it does not control the market and must construct millions of dollars of duplicating facilities to market Canadian gas and an unnecessary pipe line link to its system in Tennessee merely to comply with the policy of the United States requiring the use of Canadian gas only as a supplemental supply.

Surely that is reasonable. In 1951 the United States supreme court decided that no pipe-line company should be granted the right to invade an area already occupied. Weeks, months have gone by as the 120 interveners have appeared before the federal power commission in Washington to oppose the application of Midwestern Pipe Line Transmission Company. Suppose the federal power commission decided in their favour—and there is no record of a similar decision having been made to permit invasion and raiding. There is an appeal to the United States supreme court which in 1951, in the Pan Handle case, decided that there could be no invasion.

This memorandum goes on to say:

The Trans-Canada project requires that the federal power commission of the United States authorize the sale of Canadian gas at Emerson and Niagara and approve the construction of facilities in the United States required to transport the gas to market. It is highly questionable whether this necessary authorization for the sale at Emerson can ever be obtained because the Tennessee Company is seeking to raid the market that is now being served by Northern Natural Gas Company, American Natural Gas Company and the People's Gas, Light and Coke Company. These three companies, with combined assets of over $1·5 billion provide over 3 billion cubic feet per day of gas service to 15 million people in the great plains-midwest area.

Finally, and I think there is so much truth in this—it is page 3 of the secret report—

The best market for Canadian gas in the United States as well as the most logical one is the existing pipe-line companies and distributing utilities in the great plains-midwest area.

A Canadian-controlled company interested primarily in the marketing of gas in Canada can readily negotiate a satisfactory arm's-length arrangement with these companies which will make possible the construction and operation of an all-Canadian pipe line from Alberta to eastern Canada on a sound business basis without government financing or debt guarantee.

I ask you, sir, at the expense of reiteration, why was that hidden from the government?

Now, sir, I wish to move to a conclusion, and to say this. Here is the situation. In the shadows is Murchison, a man whose sights at one time were levelled high enough that he believed the day would come when he would dominate all of the United States for Texas. Now he raises his sights just a little. He has a 25 per cent interest; and this group of financial wizards whose financial manipulations in the last few years should have denied them any credibility—I refer to those who introduced this at the beginning, the Murchisons and those allied with them—come along and say, "Now, we are in a position where we cannot finance." These mendicants come to parliament and say, "You give us the money and we will build as far as Winnipeg."

Mr. Speaker, who would not build as far as Winnipeg with the government supplying everything? We have not had this answered, though. In view of that particular portion of the bill before this house which allows for further agreements, what are we going to do if they default?

Mr. Fleming: There will be more extensions.

Mr. Diefenbaker: Will there be more extensions? Will this benevolent organization once more be a beneficiary of government solicitude? Surely there is reality in this.

In the United States, Midwestern has little chance of getting within months, even within the next couple of years, the permission of the federal power commission. What are you going to have? You will have the construction that McMahon would have done without this government's guarantee. You would have had the completion of that portion of the pipe line by the end of 1956. You would have had the premier of Manitoba getting what he asked for and what the legislature of Manitoba has asked for, and not all this pussyfooting by this government and none of this dawdling on the part of Trans-Canada.

The minister says, "Oh, I have a provision that 51 per cent will be controlled by Canada." He had better read some of the evidence that some of the boys are giving down in Washington today. Charles S. Coates, a United States citizen, executive vice president and general manager of Trans-Canada Pipe Lines Limited, gave evidence there on February 29, 1956. We have this agreement of February 8, 1956, this massive agreement between Trans-Canada Pipe Lines, Tennessee Gas, Canadian Gulf, Hudson Bay Oil and so on, and it says this:

It contains this paragraph:

Trans-Canada declares and agrees that its arrangements for the financing of the costs of construction of the west-east natural gas transmission line proposed to be built by Trans-Canada will include a public offering in Canada of common shares of Trans-Canada's presently unissued capital stock in an amount not less than 51 per cent of the total number of common shares of Trans-Canada to be outstanding after such offering has been

made including the shares covered by such offering, and that it is Trans-Canada's intention to effect a wide distribution of such shares throughout Canada.

Well now, how do they do that? The Prime Minister having been a great corporation lawyer, I would like his explanation as to how they are going to succeed in that and what control they will have over these shares if they are purchased by dupes or by decoys. Let us hear how Mr. Coates debunked the whole thing. He was asked:

Is there any agreement or understanding other than an actual allotment under which Tennessee would have the right to purchase additional shares of common stock of Trans-Canada?

Hon. members know that today Tennessee with its subordinates controls over 50 per cent. Mr. Coates replied:

Yes, Tennessee and all stockholders. As our money needs arise, the stockholders are obligated to furnish the money that we need to operate with, and to do what work it is necessary for us to do prior to public financing, and they will pay in their money at $8 a share and take shares of stock on a pro-rata basis for what they now own.

Does that not let the cat out of the bag?

Mr. Howe (Port Arthur): What was the last?

Mr. Diefenbaker: That is the evidence of Mr. Coates.

Mr. Howe (Port Arthur): Read it again.

Mr. Fleming: Pay attention.

Mr. Diefenbaker: That evidence was given on February 29, 1955. The minister asked me to read it again. Well, if the minister had been listening instead of reading a paper or pretending to read a paper he would have heard it. Now he can look at *Hansard*.

Mr. Howe (Port Arthur): I would rather read the paper.

Mr. Rowe: He says he would rather read the paper.

Mr. Diefenbaker: That rather reveals the minister's contemptuous attitude. I have heard him read lectures to members on the other side of the house. Yes, that is such a revealing answer as to the extent to which the minister, in his omnipotence and his belief in his infallibility, looks upon the House of Commons as a place to debate; but as far as he is concerned the plan is a secret in his pocket. The secret is in his soul. Never in all history was such a monumentally important document concealed for so long from a cabinet which should have had it, and from a parliament which deserves to have it.

I say, sir, there are many questions that have to be answered. There is much information that deserves to be secured. The minister mentioned in a glib way that after all, what did it matter who owned the shares. What does it matter? Well, I simply ask him this, if it is not in the nature of a declaration of independence—the expression he used the other day—what would happen in the United States Senate and House of Representatives if the position were reversed and a situation such as was envisaged in an editorial in the Toronto *Telegram* were to be placed before that body? This was a very short editorial which appeared on May 12, 1956, and it is sound, analytical sense couched in lissom language:

Should the pipe line situation be reversed, a Canadian company might make the following firm, definite, and unconditional offer to President Eisenhower:

The Canadian all-American pipe line company will build a pipe line from Old Faithful in Yellowstone national park to pipe hot water to every bathroom and kitchen in the United States of America, providing it gets Canada's okay to pipe the surplus over there.

All-American is confident it can finance the whole project, providing the United States government puts up the money.

The All-American Pipe Line Company is all-American, providing 83 per cent control by Canadians.

All-American is dedicated to the development of a great all-American resource in the national interest, providing it can be sold cheaper to Canadian users than to Americans.

All-American will be happy to retain ownership and to operate the pipe line, providing it is profitable.

All-American will unconditionally hand the pipe line over to the United States government, lock, stock and barrel, on demand, providing it loses money.

All-American is confident that the American taxpayer will be glad to accept these terms, providing he is crazy.

Mr. Rowe: The hon. member for Halifax (Mr. Dickey) should get in on that one.

Mr. Diefenbaker: Mr. Speaker, I think that editorial pretty well analyses the whole situation. I have placed but a few general matters before the house, and other hon. members will fill in the details. How are we going to get this information? Will we get it in committee of the whole? Well, if the information we might get there is as reliable as the information we got regarding the letters that were in the minister's pocket, the information we receive will not be too helpful.

Mr. Fleming: It will be worthless.

Mr. Diefenbaker: Will we get only that which the government in a spirit of benevolence will vouchsafe to the opposition? After all, the steamroller has to roll. Why? Well, Mr. Speaker, I ask the Prime Minister that question. What is there to hide? What is there to conceal? What other documents are there in whose pockets? What happened in July of 1955, when there was that great somersault in connection with the plans of

Northern Natural and the other companies and the offer to buy Canadian gas at about 5 cents a thousand cubic feet more than the price that is to be offered by the Gardiner Symonds company?

What happened then? Why did McMahon withdraw his offer? We might ask the minister in committee what happened during the course of that telephone conversation, but he keeps no records.

Mr. Fleming: His memory is not too good.

Mr. Diefenbaker: I think McMahon would recall the circumstances as to what happened that day if he were given a chance to speak.

An hon. Member: Six o'clock.

Mr. Diefenbaker: If closure were removed from McMahon's lips by letting him come before a committee of parliament we would have the answer. Let us ask him a few questions. Let us ask Gardiner Symonds what enabled him to say in Montreal on April 10 that McMahon's plan was no good, that there was nothing to it.

Mr. Howe (Port Arthur): You had it at that time.

Mr. Diefenbaker: That statement, Mr. Speaker, is as false as the statement the minister made when he denied the existence of those letters.

Mr. Howe (Port Arthur): Mr. Speaker—

Mr. Diefenbaker: I am going to sit down.

Mr. Speaker: It is now past six o'clock. May I revert to an expression I used earlier and which caused some surprise, at least to the hon. member for Eglinton (Mr. Fleming).

Mr. Diefenbaker: Mr. Speaker, I call it six o'clock.

Mr. Speaker: I will accept the motion later on. I want to make a point because I think it is important. The Minister of Trade and Commerce was speaking, and at one point the hon. member for Prince Albert rose in order to correct the statement that was being made by the Minister of Trade and Commerce. I said, "If the hon. member raises a question of privilege, and it turns out that his question of privilege is a fraudulent one—". At that moment, the hon. member for Eglinton exclaimed, "Mr. Speaker," indicating his surprise, and I went forward and said that the term had been used in the United Kingdom.

Mr. Fulton: Will you let us use some of the other terms that have been used there?

Mr. Speaker: Perhaps the hon. member was not here when I said earlier that when I am trying to make a point, hon. members should hear me in silence, as I try to do when they make their points. I should like to refer to United Kingdom parliamentary debates, volume 503, July 1, 1952, columns 275, 276 and 277, where Sir Winston Churchill said:

> I am bound to say, if I may make a diversion, that I do not think there is any practice of the house which is more a subject of abuse than this raising of points of order of an unreal or even fraudulent character.

Later in the discussion the deputy speaker said:

> I am in absolute agreement with the first comment. The points of order raised at the moment can certainly be described as fraudulent in my opinion.

Later he explained what he meant by that. The deputy speaker said:

> The word "fraudulent" was not used in that context at all.

Meaning that there was no reflection on the Chair. He explained further:

> The word "fraudulent", as I understand it, was used against points of order which hon. members raise, when the minister or the hon. member who is speaking refuses to give way, and think that the only way they can get their word in is by raising a point of order. It happens time and again and, in my opinion they are fraudulent points of order. I hope they will be stopped.

On June 18, 1952, Sir Winston Churchill rose and said (volume 502, column 1198):

> Is not this abuse of the phrase "On a point of order" becoming a scandal in this house?

It may be that a point of order or question of privilege used in that way should not be called fraudulent, but I may say that I took the example in the United Kingdom *Hansard*.

Would the hon. member for Prince Albert send me his motion? I think hon. members will bear with me so that I may propose it from the chair. Does the hon. member for Prince Albert wish to send it to the Chair now?

Mr. Diefenbaker: Shall I read it now, sir? I call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Diefenbaker: Mr. Speaker, I was about to conclude when the recess took place at six o'clock. There are two or three other references I should like to make. One is that in addition to hearing from Mr. McMahon and from the representatives of the three companies in Minnesota who deliberated with the representatives of Trans-Canada, I think we should also hear from

Gairdner and Company to ascertain something about their representations.

In addition, it would be of interest to know the answer to the question to which the Department of Trade and Commerce was unable to give an answer on March 15. I had asked what was the parent company or corporation of each of these companies, Hudson Bay Oil and Gas Company Limited, Canadian Gulf Oil Company, Canadian Delhi Oil Limited, Tennessee Gas Transmission Company and the Western Pipe Lines group. Then I asked a further question, which was in these words:

> What proportion of shares in each of said companies is held by a non-Canadian parent company and what proportion by the Canadian public?

In reply the Department of Trade and Commerce gave the following answer:

> Questions 3 and 5 relate to the distribution of the shares of the various participating companies. Information relating to these matters is not available from government records.

Information should also be available to enable us to consider the meaning of section 7, subsection 1 of the bill, for the purpose of ascertaining whether or not any agreements between Her Majesty and Trans-Canada, made after the coming into force of the act, could alter, change, deviate or in any way derogate from the terms of the agreement which for some reason is not attached as a schedule to the bill or as part of the bill.

At the same time, as I have already stated, we could hear the evidence of Gardiner Symonds and also that of Mr. Tanner or other officers of Trans-Canada to ascertain the reasons for the repeated changes in front and the revolving alternatives that Trans-Canada has offered for so long. Consideration could also be given to the most peculiar anomaly of all, namely that if Montreal is served the Canadian people will find themselves in the position that through one form of subsidy the government of Canada will persist in putting gas into Montreal there to compete with Nova Scotia coal, which also receives a direct subsidy from the Canadian people.

Finally, very full consideration should be given to the Midwestern plan to ascertain whether or not this company can, within an assignable time in the future, develop or secure a market, what are the possibilities generally with respect to the rendering of a decision in that litigation of unpredictable length now in the course of proceeding before the federal power commission, and also to ascertain how much time will elapse before the hearing of evidence and submission of argument by counsel representing some 118 competing and opposing interests are even completed.

All these matters demand the setting up of a committee to ascertain these facts, and in order that this may be done, and to find out the peregrinations of the missing McMahon submissions and the reasons why they were maintained in such concealment and in cold storage for so long, I move, seconded by the Leader of the Opposition (Mr. Drew):

> That Bill No. 298 be not now read the second time, but that the subject matter thereof be referred to the standing committee on railways, canals and telegraph lines.

Mr. M. J. Coldwell (Rosetown-Biggar): Mr. Speaker, this afternoon the Minister of Trade and Commerce made a remark that the project of the building of a trans-Canada pipe line should be one which should appeal to all the people of Canada, and I want to say that I am in accord with that statement.

There are certain provisos that I would make. First of all, of course, it should be shown that the pipe line would be economically sound from the point of view of Canada. I believe that can be done. Then, too, there is a vast quantity of gas in the province of Alberta which should not be allowed to go to waste and which should be utilized as speedily as possible. I think all Canadians would agree with that, because while that gas is in the province of Alberta it is indeed a resource that in reality belongs to all the people of Canada and should be utilized for the benefit of Canada.

One of the objections I have to the proposal now before us is that the success of the trans-Canada line from the point of view of the present project and company depends so largely on a decision of the federal power commission of the United States. I do not think that is a very dignified position for the country to be in, and I believe we should consider the alternatives to this plan. In my opinion there is only one alternative, and that alternative is that we shall build and operate the pipe line as a public utility. I do not say that the line should be built by the federal parliament of Canada alone if the provinces wish to co-operate in the building of the line.

If on the other hand a better plan would be to build the pipe line wholly under the jurisdiction of this federal parliament of Canada, then the provinces could take the gas from the line and distribute that gas in their own provinces under their own plans. The provinces that today have power commissions could distribute the gas through their own power commissions. If any one of them wished to distribute through a private enterprise organization, that would be the decision of the province concerned. But to my mind it would be an economically sounder

proposition in every respect for the government of Canada, which can raise the finances much more cheaply than can a private company, to undertake this plan and do it by itself.

The bill before us falls into two parts. The first part of the bill deals with the setting up of the crown company. I want to say immediately that when we are undertaking a major project of this description, I think a crown company is the proper way in which to do it, a crown company that can be brought before the appropriate parliamentary committee and questioned on its operations, but that operates independently of day to day interference and control of the House of Commons.

As I have said, the bill falls into two parts. It sets up for the purposes of the act a corporation to be called the Northern Ontario Pipe Line Crown Corporation. Then it provides for the officers of that corporation. We know that the corporation will be the agent of Her Majesty in right of Canada. That is all to the good. Then I think the bill is spoiled by saying that this crown corporation is authorized and expected to do certain things for the company to be known as Trans-Canada Pipe Lines Limited, a private corporation which, as has been so often demonstrated already in this debate, is under the financial control of powerful United States gas and oil companies, and the majority control of which is held in the United States.

I recollect over the years the manner in which we have been told from time to time—and I remember statements by Mr. Mackenzie King, of course in another connection, for example in connection with the setting up of the Bank of Canada—that those who controlled the financial affairs of the country in reality controlled the country. Although the Minister of Trade and Commerce this afternoon tried to tell us something different, I am still of the opinion that the real control of any corporation or any organization lies in those who are in control of the finances of the corporation.

So then we have the two parts of this bill. First there is the principle of the bill setting up this crown corporation and giving it certain obligations and certain powers. Then there is part II of the bill which deals with the building of the western section of the pipe line from the Alberta-Saskatchewan border to Winnipeg or a point in the vicinity of Winnipeg; and in the building of that part of the line we have undertaken an obligation, according to the bill, to finance that section to the extent of 90 per cent, not to exceed $80 million, and the company itself—so the Minister of Trade and Commerce told us the other day—would have an investment of some $15 million initially.

Hence in reality what we are doing is handing over to this new corporation—which as I say is an American corporation—some $80 million to build that part of the pipe line. It may be said, of course, that the company will be obligated to pay 5 per cent interest, but the interest rate is not the real factor. The real factor is the amount of money we are putting into this project, namely $80 million. The bill also provides that the crown corporation shall be able to expend, lend or otherwise dispose of some $130 million altogether.

When you look at these provisions you see what we are doing for this company. While we with the province of Ontario are obligated to build the bridge across northern Ontario and with them are going to appropriate $118 million for that purpose, there is still left the gap between the city of Winnipeg or a point in the vicinity of Winnipeg and the Ontario-Manitoba border. We do not know how that is going to be financed. If the company cannot finance the first leg—which is an easy leg and which should be a productive leg—from the Saskatchewan-Alberta border to Winnipeg, how is it going to finance the more difficult piece of territory from Winnipeg to the Ontario border?

I am not so much interested in an argument as between the companies that were involved in the discussions which led up to the trans-Canada pipe line. For example, I do not think the record of Mr. McMahon, who has been talked about this afternoon, is one which recommends him to the attention of this House of Commons or this parliament. From what we know of his operations in Canada and elsewhere I think there is little to choose between Mr. McMahon and some of the other people whom we at times have referred to as economic buccaneers. I cannot see anything to choose between them. If Canada is going to be skinned, I would just as soon be skinned by an American as by a Canadian financial man.

I therefore do not think it is worth while to enter into a discussion of the relative merits of Mr. McMahon, Mr. Murchison or any of these other gentlemen. However, I want to say this to the government. I cannot understand part II of the bill. I cannot understand why part II of the bill refers to an unidentified agreement. I cannot understand why part II of the bill states:

> Pursuant to an agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act, between Her Majesty and Trans-Canada . . .

And so on. I cannot understand why this is spoken of as an agreement. Any agreement that has been made between the government

of Canada and Trans-Canada Pipe Lines Limited should be identified, at the very least. Of course I think my friend the hon. member for Winnipeg North Centre was perfectly right this afternoon when he argued that the agreement should form an integral part of this bill and be appended to it.

I know there are hon. gentlemen sitting opposite and in the cabinet who have had long experience in public life in this country and two of whom have headed the governments of their respective provinces. I doubt very much whether either of them, in conducting the affairs of their respective provinces at that time, and in making an agreement similar to this with a private company and bringing in a bill, would not have appended the agreement to the bill so the legislature—and as we are now, this parliament—would have the right not only to discuss the agreement but to decide upon it and have a firm understanding of it.

As a matter of fact, when we look into this particular section of the bill what do we find? We find certain deficiencies in it. In this bill no date is named for the completion of the western section that we are financing, and no date is set for the repayment of the loan of some $80 million which we are making. Why are these two important details not included in the bill itself, as well as in the agreement which should be attached to the bill? As a matter of fact I think one could argue from the wording of this section of the bill that the governor in council might have the power to vary this agreement, to enter into an agreement with the other party to extend the time, or to extend the payments, or to do other things which we do not expect will be done and which certainly should not be done without the consent of this parliament. So I say, then, that part II of the bill now before us is deficient.

I would say to the government that when this bill goes into committee I think the government should move to have any agreement which has been signed made an appendix to the act which this bill will become when it is passed. I think that would be wise. It may be said, of course, that the government has no intention of varying the agreement, and no intention of varying the two important features to which I have just referred, namely the date of the completion of the western part of the line and the date of repayment of the loan. I know the government itself may feel this is unlikely, but supposing something happened and we had a general election and a new government in power.

Some hon. Members: Hear, hear.

Mr. Coldwell: Well, wait a moment. Supposing that was the government of my hon. friends who sometimes say they are going to sweep the country at the next election, the Social Credit party.

Mr. Blackmore: All would be well, then.

Mr. Coldwell: All would be well then? I was going to say, then Canada would be sold down the river. I say while I think there is no likelihood of that, nonetheless this parliament has an obligation to safeguard the country against anything happening which might be injurious to this country. Consequently we should insist, and I think the government would be wise to agree, on having this agreement which we have before us tonight taken from the table of the house and made a part of the bill.

The hon. member for Winnipeg North Centre indicated this afternoon, looking over the legislation of the past, that when agreements were brought in under a bill of this description those agreements have been made appendices to the legislation. I say that should be done. I think, too, this house should insist on that because in reality by leaving those things out we are giving to the government what the Liberal party in 1932 objected to very strenuously, something in the nature of a blank cheque. We have not filled in these two details, and these two details are important in any cheque or in any note, the date of repayment and the fulfilment of other obligations that may be inserted in the note. I think we should insist that this should be done.

Then the principle of the bill setting up the crown company, if it were of a different character and without these other details in it, would I think be generally satisfactory. As the matter now stands it is a most unsatisfactory proposal, and as I have sometimes described it, it is outrageous. May I say to the government that what is even more outrageous is the fact that steps have been taken to preclude any detailed discussion of the bill, and particularly of the resolution which introduced the bill.

This afternoon the minister said there was obstruction. Well, the resolution was introduced one afternoon and the Minister of Trade and Commerce immediately gave notice of closure, before there was any indication in the house of obstruction.

Mr. Howe (Port Arthur): There were five divisions.

Mr. Coldwell: Perhaps there were five divisions during the afternoon. I am not sure whether they were all before the introduction of the resolution.

Mr. Argue: Now he does not want us to vote.

Mr. Coldwell: As a matter of fact, Mr. Speaker, those motions that were moved were not motions of obstruction, because they were as much within the rules of the house as was the closure motion moved by the minister. Moreover, that motion was agreed upon by the cabinet and by the minister long before what he calls the obstruction motions were ever moved.

Mr. Howe (Port Arthur): That is not true.

Mr. Coldwell: Does the hon. gentleman mean to tell me that closure was not agreed upon before the minister moved it?

Mr. Howe (Port Arthur): The hon. member asks me a question. It was agreed closure would be applied if necessary, but it was agreed that if there were no evidence of obstruction it would not be applied at that time.

Mr. Coldwell: I noticed the tail of the minister's sentence, "at that time". I want to say this to my hon. friends of both the Liberal and Conservative parties. I find it very difficult to understand why they are so opposed to this project being undertaken as a public utility. As a matter of fact both parties have supported the setting up of public corporations to operate public utilities. I do a good deal of reading of biography. I am rather fond of it. Some time ago I was reading the biography of Adam Beck, so I took it up again since this debate began. As a matter of fact I find that the Conservative premier of Ontario said this as long ago as 1906, when the Ontario hydro-electric was being proposed:

> The water power at Niagara should be as free as the air, and more than that, I say on behalf of the government that the water powers all over the country shall not in future be made the sport and prey of capitalists and shall not be treated as anything else but a valuable asset of the people of Ontario, whose trustees the government of this people are.

That was said 50 years ago, and there was very bitter opposition to the setting up of Ontario hydro. Many of the arguments that are being used today against the establishment of a pipe line of this description under public ownership were being said then. Premier Whitney had powerful support, of course, from certain newspapers and particularly the Toronto *Telegram* under the editorship of John Robinson. Incidentally I believe his daughter wields the pen today from the galleries of this House of Commons, and does it very effectively in the same cause.

A little later, in 1910, the same premier said this:

> We have been attacked, vilified and slandered. [Mr. Argue.]

I am thinking of some other governments that have set up public corporations to try to protect the people of the province from exploitation.

> Large sums of money have been expended in creating and fomenting prejudices and ill feeling against us. And still larger sums have been expended in conducting a campaign against us outside of Ontario. Our opponents left nothing undone that could be done, and men and influences, from the humblest man in the land up to the prime minister of Great Britain, were approached in the endeavour to destroy our power legislation, and render it impossible for this wonderful new force to be used and enjoyed by the people except on terms laid down by individuals.

Mr. Diefenbaker: That is Sir James Whitney.

Mr. Coldwell: Yes. And that is exactly the position we are in today. Why should those great resources of all the people of Canada—true, they are located in Alberta—not be used and enjoyed by the people except on terms laid down by individuals; and those individuals, incidentally, beyond the borders and the jurisdiction of our own country?

I remember, of course, when it was first suggested that a plan might be adopted which would have government representation on the directorate of a new company to bring those resources to eastern Canada, and the president of the Gulf Oil Company, an American, said he would have nothing to do with a project in which governments had any control. He would have nothing to do with the use of his resources, as he put it—the resources of the people of Canada which had been alienated to him by a provincial government in this country—in a project in which governments had any control.

As for the Liberals, well, many and many a time I have heard over the years Liberals supporting the public ownership of certain utilities. In 1911 when the hydro-electric had become something of a success, Mr. N. W. Rowell, the new leader of the Liberal party, said this:

> We believe in and will support public ownership and operation of public utilities and especially the utilization of water powers throughout the province for the generation and distribution of electricity; also the acquisition and operation of telephone lines.

Mr. Carrick: Will the hon. member permit a question? I am wondering whether he has seen the report of Mr. Glassco of the Clarkson company, who was asked to investigate the feasibility of public ownership in this case, and the difficulties that he pointed out would exist?

Mr. Fulton: That is not Walter Gordon's partner, is it?

Mr. Coldwell: Just a moment. I read it; I read the entire report, and Mr. Glassco said

that public ownership was feasible; that it was economically sound. Then he went on to say that he did not think in these circumstances it was advisable. That is what he said. I think I have quoted him accurately; but he gave the view that it was economically sound on the basis of his knowledge of economics and as an accountant. The latter point was simply this. He gave his opinion as an individual and outside his particular job. I know my hon. friend is one of the spokesmen for the gas companies in this house. I know that. I am not going to argue with him.

Mr. Carrick: Mr. Speaker,—

Some hon. Members: Sit down.

Mr. Carrick: I am rising on a question of privilege.

Mr. Speaker: Order. The hon. member for Rosetown-Biggar has the floor, and if the hon. member wishes to correct something the hon. member for Rosetown-Biggar has said, the hon. member who wishes to do so must first make sure that he has consent. If the hon. member for Rosetown-Biggar does not wish to give consent the hon. member has the right to make a correction once the hon. member for Rosetown-Biggar has concluded his speech.

Mr. Carrick: Am I not permitted to rise on a question of privilege at this time?

Some hon. Members: Sit down.

Mr. Speaker: If it is a question of privilege I will hear the hon. member.

Mr. Carrick: On a question of privilege, I am objecting to the hon. member asserting that I am the spokesman for an oil company.

Mr. Speaker: Order. I have heard that much, and this is what I am trying to indicate to all hon. members. Too many of these questions of privilege are being raised for the purpose of correcting statements made by hon. members in debate. As I said earlier, an hon. member has the right to make a correction at the end of another hon. member's speech, but he cannot do so under the disguise of a question of privilege unless he has consent.

Mr. Fulton: Hear, hear.

Mr. Coldwell: Mr. Speaker, my remark was based entirely upon the—

Mr. Carrick: Will the hon. member give me consent?

Mr. Coldwell: I think, Mr. Speaker, if the hon. gentleman—

Mr. Ellis: Who wrote his speech for him?

Mr. Coldwell: If the hon. gentleman will just wait until I finish I will satisfy him. What I was about to say was that I had read his speeches in the house and that was the conclusion I had come to. If I am wrong in my conclusion, then the hon. gentleman has the right to say so.

Mr. Argue: He can make another speech.

Mr. Coldwell: As I say, I want to see Alberta gas used, but I want to see the project completed under a proper agreement, under a proper act of this parliament with no alienation of our resources and our rights to any corporation, particularly not to a group of corporations over whom we have very little control because they control the finances of the organization.

The agreement which is not attached, but which has been circulated and therefore is worthy of notice at the present time, has some very interesting features. I look at section 6 on page 3, which reads as follows:

> Trans-Canada shall be in default hereunder subject to any delay as may be occasioned by *force majeure* defined to mean acts of God.

Then they go on to spell out almost every conceivable thing that may happen in this country to justify the delay and therefore the extension of the agreement. I do not think I have ever seen as many interferences specified as I see in this agreement. What are they?

> Strikes, lockouts or other labour or industrial disturbances, civil disturbances, arrests and restraints from rulers and people, interruptions by government or court orders, future valid orders of any regulatory body having jurisdiction, acts of the public enemy, wars, riots, sabotage, blockades, embargoes, insurrections, failure or inability to secure materials or labour by reason of priority or similar regulations or orders of the government, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts or explosions, provided that such event shall be beyond the reasonable control of the party concerned and not due to its fault or negligence,—

Mr. Rowe: Is closure there?

Mr. Knowles: Everything but a general election.

Mr. Howe (Port Arthur): Finish the paragraph.

Mr. Coldwell: Yes, I will finish it.

> —but not to include any orders, rulings, or actions, or absence thereof, by the federal power commission of the United States of America—

Mr. Howe (Port Arthur): Go on.

Mr. Coldwell: All right.

> —the Board of Transport Commissioners for Canada, or the petroleum and natural gas conservation board of Alberta or tribunals having similar jurisdiction.

The federal power commission is excluded, and why would it not be excluded when it is the great uncertainty in connection with this whole project?

One other thing I want to ask is this. How do we know that this company has the necessary pipe to do this job? We have seen no evidence of it at any time in this house. Last Friday my colleague the hon. member for Winnipeg North Centre asked for a copy of Trans-Canada's option on pipe. The minister said he would table it. Again on Tuesday the same question was asked and the same answer was given; and today, just before I came into the house this evening, it was asked for, and still it is not available. We have no evidence—

Mr. Fulton: I wonder why.

Mr. Coldwell: —that the Trans-Canada Pipe Lines company has any option on the pipe which I believe is owned by one or more of the American corporations who are interested in this particular project.

Therefore, you see, while we adequately protect the company by enumerating all the possible things that may happen to prevent the company carrying out its obligation by the 1st or 2nd of April, we have no assurance that the company can carry out the obligation of providing the pipe, and that is not included in this particular bill nor have we seen any evidence of it.

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

Mr. Regier: Mr. Tanner has only two shares.

Mr. Enfield: Have you read section 14, clause (b)?

Mr. Coldwell: This is the agreement; I am talking about the bill. As far as the bill is concerned and as far as this house is concerned we have no assurance; and this agreement is not a part of the bill. We have no assurance whatsoever.

Mr. Enfield: You were using the agreement to back up your former argument.

Mr. Coldwell: There are other features of this bill which I could discuss at some length, but I do not propose to do so. One other thing I want to say is this. When this matter was brought before the appropriate committee of this house some time ago all kind of assurances were given by the officers of the company that this would be an all-Canadian project and would be financed by Canadians in the usual way. From time to time they have gone before the government and asked for a variation of the contract. I want to say to you, Mr. Speaker, I think this house is justified in using every means within its power to—

An hon. Member: Obstruct?

Mr. Coldwell: —to find out everything in connection with this deal. I am therefore in accord with the amendment that has been moved by the hon. member for Prince Albert and I shall vote for it.

But I think when we send the subject matter to the committee we should do more than that. We should consider what is the only alternative as I have already stated it. We should have a thorough investigation into the economic feasibility of the whole plan, if you will, and particularly of public ownership; for I am convinced that in the capitalization of the line, capital can be obtained by parliament or the national government of Canada at a rate of interest far less than it can be obtained by any private corporation, and that the costs of financing and raising funds by the private corporation will probably be twice the cost of raising finances by the government of Canada.

And so, Mr. Speaker, I move, seconded by my friend the hon. member for Winnipeg North Centre:

> That the amendment be amended by changing the period at the end thereof to a comma, and by adding thereafter the following words:
> "so that consideration might be given to the advisability of recommending the construction and operating of a trans-Canada natural gas pipe line under public ownership."

I want to leave it at that tonight, Mr. Speaker, having placed on record what I believe to be the only feasible alternative. I think we can at least say that we have been consistently advocating this particular kind of plan to bring gas from western Canada across the country to eastern Canada from the very outset.

Mr. Carrick: Mr. Speaker, may I now rise on a question of privilege? The hon. member for Rosetown-Biggar (Mr. Coldwell) in the course of his speech said that I was a spokesman for the oil company.

Mr. Ellis: The whole government is.

An hon. Member: Quiet, fog-horn.

Mr. Carrick: I want to assure the house I am not the spokesman for any oil companies and I have no connection, financially or in any other way, with any oil companies.

Mr. Coldwell: I did not suggest that.

An hon. Member: Yes, you did.

Mr. Carrick: In the speech I delivered in connection with the speech from the throne

I was simply stating what was my own honest opinion of what course was best for Canada in connection with the matter under consideration in this bill.

Mr. Ellis: Who wrote the speech for you?

An hon. Member: Who wrote yours?

Mr. Carrick: I wish to assure the hon. member that the speech was entirely my own. I hope to have the opportunity of speaking in this debate later.

Mr. Knowles: Provided the government does not put on closure.

Mr. J. H. Blackmore (Lethbridge): Mr. Speaker, the position of the Social Crediters in this debate is clear and unequivocal. We want the pipe line built at the earliest possible moment—

Mr. Ellis: For the benefit of United States companies.

An hon. Member: Oh, dry up, you!

An hon. Member: Pipe down, fog-horn.

Mr. Blackmore: —and in order that the pipe line should be built at the earliest possible moment we want this bill put through the house at the earliest possible moment.

There are two reasons for our taking this attitude. In the first place, Alberta as a whole and as part of the Dominion of Canada needs to have this pipe line built; consequently the bill must be put through as quickly as possible. In the second place, Ontario and Quebec need this pipe line built at the earliest possible moment; first, in order to enable them to have adequate fuel as a source of energy in time of peace and second, in order to have a fuel supply secured in case of war.

An hon. Member: Which war?

Mr. Blackmore: Let us examine the situation in which Ontario and Quebec would find themselves in case we became involved in war, a war in which guided missiles would be predominant as a weapon. How long would it take before we would have our hydro installations in danger of being blown up? What would that do to the economy of Ontario and Quebec? Then again, how would it be possible for us to have a normal supply of coal coming in from the United States, up from Nova Scotia or down from Alberta, when it is possible to blow every train off the track and sink every ship? I think it is time every hon. member faced up to that problem.

In Ontario and Quebec we use a great deal of fuel oil which comes in from the United States. In the event the United States became heavily involved in war and needed fuel supplies for war operations, does any hon. member suppose she would not divert much of that fuel oil from Ontario and Quebec? I ask you to consider what effect that would have on every household in Ontario and Quebec and every industry in those provinces, including the war industries.

In the face of that fact, which I think should be obvious to a 14-year-old child, I find it utterly impossible to conceive how any hon. member who looks upon himself as being as responsible—as do the Conservatives and members of the C.C.F., every one of whom is grown up and over 30 years of age—is able to justify himself in doing everything in his power to block this bill and consequently to block the construction of the pipe line as long as possible.

I should like to ask one more question. What do you suppose at the present time would be the major objective of Bulganin of Russia in respect of this bill? He would want to delay the passing of the bill as long as possible, and consequently the construction of the pipe line, for the reasons I have already indicated concerning Ontario and Quebec in time of war.

An hon. Member: A good idea—

Mr. Blackmore: The trouble with these people is that they have men's voices but children's brains. I would like to turn my attention to some of the observations made by some of the hon. members who have thus far spoken. Let me take the case of the hon. member for Prince Albert. The hon. member spent a good deal of time in his speech saying outrageous things that could not possibly be supported by the facts, things which he believed would get into the press and create confusion throughout the land. For example, he spoke of this whole Trans-Canada Pipe Lines proposal as a nefarious scheme. Just weigh the word "nefarious".

Mr. Ellis: A good word.

Mr. Blackmore: What an outrageous thing to say. The hon. member could not support that statement with one iota of argument or evidence. Yet he can say this and get publicity all over the country and be believed by many admirers who will never be able to examine the facts of the situation, who will rely on the hon. member for Prince Albert and so be deceived. Next he spoke of the Trans-Canada Pipe Lines company as being "the pampered pet", and he made that remark notwithstanding the fact that the Minister of Trade and Commerce said distinctly that it was not at all the government's pet or instrument. It was not chosen as the instrument in any way by the federal government. It was chosen by Alberta.

Mr. Knowles: $80 million.

Mr. Blackmore: I have an idea a good many hon. members do not pay attention to what other hon. members say. All they can think of is their own particular line of nonsense. He spoke of this pipe line company as being "a favoured corporation". What I said regarding the other matter is just as true concerning this one. As evidence that the Minister of Trade and Commerce was correct when he said that the government of Canada has not chosen the Trans-Canada Pipe Lines company at all, may I read from a document which was placed on the record by the Minister of Trade and Commerce this afternoon, namely a letter written by Premier E. C. Manning of the province of Alberta, no longer ago than April 24, 1956. On page 2 of that letter we read the following words:

> In fairness to the Trans-Canada Pipe Line company, I believe it rightly can be said they have complied with every condition and requirement of the national gas policy laid down by your government.

In other words, the Dominion of Canada has laid down the policy, and the Trans-Canada Pipe Lines company has complied with every detail. It is not true that the Trans-Canada Pipe Lines company is in any way a favourite or pet of the government of Canada. It is simply the instrument chosen by the Alberta government, and it has done everything it possibly could to comply with the request of the dominion government.

> They have encountered temporary difficulty in financing their part of the project—

Note those words and, incidentally, hit yourselves on the heads so you can get this:

> They have encountered temporary difficulty in financing their part of the project only because of the delay before the federal power commission at Washington, which is something entirely beyond their control.

That ought to settle the matter once and for all. You will remember that I asked you a few minutes ago what you would think would be Bulganin's attitude toward this bill. It is easy to find members who are riding along with Bulganin's policy.

Now we shall go on to other remarks made by the hon. member for Prince Albert. He made many grossly offensive and misleading remarks of many kinds in addition to the ones to which I have already referred. He described this scheme as "a raid". Let me recall to hon. members in the house that it has been laid down that all the money that is being advanced by the dominion government is only being loaned, and it is loaned at an interest rate of 5 per cent, a right good interest rate on an amount of money as large as that. Yet the hon. member for Prince Albert, considering himself a responsible and capable man, makes an outrageous remark of that kind. Besides that, it is agreed and stipulated that the money must be paid back within nine months. Whoever called a loan like that a raid, except the C.C.F.'ers and the Conservatives?

Mr. Ellis: What about that free money you speak of?

Mr. Blackmore: As a guarantee that the money will be repaid, every single asset of the company is mortgaged in order to cover that loan.

An hon. Member: There are no assets.

Mr. Blackmore: What foolishness! Men's voices and children's brains! The hon. member for Prince Albert mentioned "alternative proposals". What does he think? There was a good deal of questioning about the Frank McMahon proposals. The general idea obtaining in the minds of my Conservative friends seems to have been that notwithstanding the fact that this Trans-Canada Pipe Lines company has a contract with the federal government and has kept every single item in that contract, yet the federal government should with impunity break the contract just because a fly-by-night like McMahon comes forward with a proposal.

I should like to ask the hon. member for Prince Albert, a great lawyer, whether he would like to defend the government against a suit for damages, which Trans-Canada Pipe Lines could easily bring against the dominion government for that breach of contract. For members of parliament like the Conservatives, who pride themselves on being people of responsibility, to advocate by implication the dishonouring of a contract when one party to the contract has honoured its side in every single respect is something beyond the comprehension of anybody who is still sane. To back up what has been said, you will remember that the Minister of Trade and Commerce had said specifically that the Trans-Canada Pipe Lines company "is not in default". I propose to read the words, and I hope, this time they are read, that somehow or other they will get into the minds of C.C.F. and Conservative members, who need so much to have these things in their minds.

Then the hon. member for Rosetown-Biggar made a remark to the effect that the government was handing over a great quantity of money, but in reality the "handing over" is the lending of that money at 5 per cent interest on the most perfect security that could possibly be obtained to back up a loan.

Mr. Regier: Where is the security?

Mr. Blackmore: He said the government was going to be "skinned." I maintain that in the light of the facts remarks of that sort are simply a disgrace to the members who make them.

Mr. Regier: Where is the security?

Mr. Blackmore: They are utterly irresponsible, utterly misleading and completely out of place.

Mr. Regier: Where is the security?

Mr. Blackmore: I should like to—

Mr. Ellis: Who wrote that speech? The Minister of Trade and Commerce?

Mr. Blackmore: I wish to read three or four short excerpts from speeches by the Minister of Trade and Commerce. On May 8, as recorded on page 3664 of *Hansard*, he used these words:

> I emphasize that the approach came from the government, not Trans-Canada.

In other words this Trans-Canada company is not the "pet" of the government.

> I emphasize that the approach came from the government, not Trans-Canada. Trans-Canada was not in default.

I hope the members of the C.C.F. party can read English well enough to know what that means.

Mr. Ellis: What have they done in the last five years?

Mr. Blackmore: That is perfectly clear. I wish to read another passage found on page 3862 of *Hansard* of May 14, which shows that Trans-Canada Pipe Lines Limited is the only instrument available. It is not that the government has any particular tenderness for this company. The fact is that the company is the only instrument available. Let me read the minister's words.

> There is in Canada only one agency which can be placed in a position to build the western part of the pipe line this year. That is Trans-Canada Pipe Lines Limited. Some sections of the press, and some hon. members, are in the habit of referring to Trans-Canada as the government's "chosen instrument". The government has no chosen instrument. Trans-Canada is the only usable instrument available.

Once more, those words are just as plain as the English language can possibly make them. Once more, I should like to read an excerpt to show that Trans-Canada is not responsible for the present inability to finance. Ordinarily when reference has been made to the inability of the company to finance we have had an outburst from the C.C.F. resembling the "yakking" of a lot of jackals; no sense whatsoever, just crazy noise. On page 3862 of *Hansard*, column 2, we find these words of the minister:

> Financing by normal methods cannot be arranged in the absence of validation by the federal power commission of Trans-Canada's contract with Tennessee.

An hon. Member: Who said so?

Mr. Blackmore: That is just as plain as words can make it and those are the words of the responsible minister, the Minister of Trade and Commerce—

Mr. Ellis: Responsible?

Mr. Blackmore: —a man who knows more than 70 men like the hon. member.

An hon. Member: Attaboy, John.

Mr. Ellis: Cross the floor, John.

Mr. Blackmore: Those are the words of the Minister of Trade and Commerce, who knows all there is to be known about the trans-Canada pipe line, yet we have these people questioning his word! It is simply an amazing thing. On the same page and in the same column I read these words:

> Therefore the only practical arrangement is to finance a start by Trans-Canada this year.

But when we finance the start the hon. member for Rosetown-Biggar says we are being skinned.

Mr. Ellis: Who is putting up the money?

Mr. Blackmore: Now, can you get sense out of that?

Mr. Knowles: They are getting dollars.

Mr. Blackmore: The hon. member for Prince Albert said some things to which I have already referred.

An hon. Member: How much will the "Socreds" get out of it?

Mr. Blackmore: I wish to spend a minute or two more on Trans-Canada Pipe Lines. In the first place, let us take the president of the company. Let us give him a little bit of attention.

Some hon. Members: Oh, oh.

Mr. Blackmore: Once more the jackal chorus is going; just jackals, that is all! Hon. N. E. Tanner was minister of lands and mines in Alberta commencing in January, 1937.

An hon. Member: He went to his reward.

Mr. Blackmore: He served as minister until September, 1952. He resigned his position in 1952 and asked his constituents—I went around with him to every meeting—in the constituency of Cardston to release him from further service as their M.L.A. He covered the whole constituency speaking in support

of E. W. Hinman, who has since become provincial treasurer of Alberta. He stated frankly why it was that he desired to withdraw from serving the people. He said that he had served them for 17 years, and he felt that the time had come when he should be able to engage to some extent in private affairs of his own in order to build up some sort of competency for himself and his family.

Mr. Ellis: How many shares of Trans-Canada has he?

Mr. Blackmore: He established a company in Calgary called Merrill Petroleums. That company under the management of Hon. N. E. Tanner have been a surprising success. They are very effective as a business organization in every possible way.

According to Premier Manning's letter of April 24, 1956, Hon. N. E. Tanner apparently did not take over the presidency of Trans-Canada until about two years after he withdrew from the government of Alberta. He was occupied earlier with his own company, Merrill Petroleums. From page 1 of Premier Manning's letter of April 24, 1956, I read the following:

> Over two years have lapsed since the present Trans-Canada project was formulated as a vehicle to implement national policy with respect to natural gas.

Yet we have the hon. member for Prince Albert trying to give the picture that this company had been going on for years in a tortuous manner, and trying to indicate that the company had been poorly managed and was dishonest. These words from the pen of Premier Manning himself ought to settle the matter once and for all—

Some hon. Members: Oh, oh.

Mr. Blackmore: —and will for all honourable men.

Mr. Ellis: How many shares did Mr. Tanner have in Trans-Canada?

Mr. Blackmore: What difference does that make—

Mr. Ellis: Two shares.

Mr. Blackmore: —except to jackals?

Mr. Ellis: $16.

Mr. Wylie: How many shares have you?

Mr. Blackmore: Our C.C.F. friends are certainly worrying about the people of Alberta. The people of Alberta have slapped them in the face and kicked them time after time after time, yet they think they must be the little white-winged saviours of the people of Alberta, just as if the people of Alberta did not know something about these matters themselves.

In order to give some idea of just how badly Alberta is injured by the private enterprise we have there, which has done so much in the development of our industry and of course has aroused the greenest envy on the part of the C.C.F. people, may I tell the story, as far as I have the opportunity to tell it in the time at my disposal, of one of the gas reservoirs in the province of Alberta. This one is in the riding of the hon. member for Macleod (Mr. Hansell) about 25 miles from where I live, and is near the town of Pincher Creek. It is called the Pincher Creek wet gas field. In order to tell the story properly I should like to lead up to the discovery of the project by telling something about the history of the gas and oil industry in southern Alberta, as the Minister of Trade and Commerce did this afternoon.

From Peace river to the border and from the Rocky mountains to Saskatchewan, Alberta is already dotted with scores of gas fields and single well gas discoveries. For those who have never seen one of these fields, may I try to give some sort of idea of the kind of deposit these fields are in and the kind of job a company has to do in order to discover gas. What is a gas and oil field deposit like? It is like an unopened oyster shell lying on its side and buried in the ground. That is a fairly good picture of what a gas field is as nature left it. There is a large stone-like structure around the oval space and the oil body lies in the bottom of the oval much as soup will lie in the bottom of a soup tureen, lying on the floor of the oval chamber, so to speak. In above the gasoline and oil, between the surface of the gasoline and oil and the ceiling or roof of the rounded stone structure, gas has collected down through the ages; and because of the way in which it collects it comes to exert an enormous pressure on the surface of the oil which lies at the bottom of the oval structure. The gas presses on the oil. As soon as the drill goes down and pierces through the upper shell, we will say of the oyster, and goes down far enough, then the pressure of the gas on the oil surface forces the oil up through the pipe and out where people can get at it.

Now we come particularly to the wet gas field of Pincher Creek. This wet gas field—and I am thinking now in terms of the oyster shell—is seven miles long and about three miles wide at its widest place. The porous Madison limestone reservoir is buried two and a half miles deep—two and a half miles deep is the oyster shell—in the foothills of the Rocky mountains about 15 miles north

of the Canadian and American border between Pincher Creek and Waterton Lakes national park. The ridge containing the reservoir—the ridge itself—lies buried more than one and a half miles below the surface of the great Pacific ocean that rolls its way 500 miles west beyond the Rocky mountains. Just think of the task involved, first of all in finding where that oil deposit lay and second, in getting down to the oil deposit and bringing the oil up.

The pool contains about 2,400 billion cubic feet of raw wet gas—just think how much that is—a mixture of natural gas, gasoline, condensate and light crude oil, sulphur, propane, butane and ethane. The difference between wet gas and dry gas is that wet gas contains all these substances which I have mentioned, while dry gas contains none of them but is practically ready to be used as gas immediately.

The worth of the whole mass of content of this field is more than half a billion dollars. Of this, 2,400 billion cubic feet of raw wet gas, 37½ per cent or 1,920 billion cubic feet, worth $211 million itself, would be dry gas. The other 62½ per cent of the value could not be recovered until the 1,920 million cubic feet of dry gas was disposed of, or marketed which means that even after the company gets down and finds the gasoline and finds the gas it is unable to use that gasoline and the contents of the gas until it can sell the dry gas after they remove the other substances from the wet gas.

Now hon. members can see how difficult a position the company is placed in unless it can first of all find a market for the dry gas. They cannot take up any of the contents of that great body of value until they can get a market for the dry gas. But the Conservative and C.C.F. members of this house are doing everything in their power to prevent them from selling their gas so they can take out the sulphur, butane, propane and all the other substances in that gas, and the whole quantity must lie there as an absolutely dead asset.

They are brilliant Canadians, these C.C.F.'ers, and these Conservatives, in trying to block the development of great values of that kind. Their only excuse is that they just do not know what they are doing. If they knew one-fiftieth of what they think they know, they would be brilliant; I think they would all be in universities. Unless and until Alberta and Canada are able to market the dry gas from the Pincher Creek wet gas field there will be in that field frozen assets of Canada—belonging to Nova Scotia and Newfoundland just as much as to Alberta, but equally useless to Nova Scotia, Newfoundland, British Columbia as to Alberta—until the field can be developed. That is what we are struggling about now, to be able to develop the field.

In the field there are the following; sulphur, some 7,400,000 long tons, estimated to be worth $163 million; condensate and light crude oil, 38,400,000 barrels worth $126 million; natural gasoline, some 9,800,000 barrels worth $24,700,000; propane, some 12,700,000 barrels worth $21,300,000—I hope the C.C.F. can understand what dollars mean—butane, some 10,400,000 barrels worth $16,300,000; the total value of these frozen assets being $351,300,000. All of this the noble Conservatives and the equally noble C.C.F.'ers are trying to prevent from being realized. Is it not a brilliant record? Yet they call themselves Canadians, they call themselves intelligent, and they consider themselves to be responsible.

That is the gift which the great Creator prepared for North America in the district between Pincher Creek and Waterton Lakes park. If it had not been for this private enterprise which the C.C.F. seem so much to abhor, that gas would have remained in that field for perhaps another thousand years, because there is only one kind of organization that has the money to make it able to dare risk the cost of discovering a field like that. The only kind of concern that has that money is really a giant, and the only place you find such giants is in the United States.

Let us see who it was that found this great deposit. From the time away back in the 1890's when two old-timers, Lafayette French and Kootenay Brown traded some Indians a horse for a certain slough from the surface of which neighbouring Indians had long been skimming a brown oily liquid with a vile smell and certain useful properties—from those days on—the idea lingered that oil could be found in southwestern Alberta; but it was only the idea. I can remember distinctly how they used to talk about it when I was a small boy.

In 1901—we are now tracing the development of this story up to where we have this wonderful field now all ready to be used—French and Brown showed three Calgary pioneers, namely A. P. Patrick, John Lineham and George Leeson, their slough and gave them the idea of oil. We were getting a little nearer. The Rocky Mountain Development Company was formed. A forest of tents sprang up around the slough, drilling started, the first Alberta oil boom got under way and suddenly collapsed.

Northern Ontario Pipe Line Corporation

Why? Largely because there was not a company strong enough to carry on. Between 1901 and 1920 at least a dozen wells were drilled in the Cameron brook area—Cameron brook is a brook in the Waterton Lakes park not far from this field—near where Lafayette and Kootenay got their idea. Through the years within a 25-mile radius of the present Pincher Creek wet gas field some 27 wells were drilled with big and small companies, Canadian and American, participating in the costly and lengthy hunt. But they had not yet found the oil.

In 1941—we are coming up to the great outburst which resulted in the discovery of oil and gas in a big way in Alberta—the Canadian Gulf Oil Company, a unit of the big Gulf Oil Corporation of Pittsburgh, decided to embark upon an Alberta program. One of the things at stake in this great debate now is this. Are great companies like the Gulf company of the United States to be discouraged into thinking that no matter how much money they spend in developing great projects like this, there will be simpletons in the Canadian House of Commons who will block every effort to enable them to market their goods or are we going to act in such a way as to give them confidence?

Let us go on with the story. First, Gulf Oil had one of its geologists start a preliminary reconnaissance. In 1942 Gulf Oil set its scientists to work with seismographs and gravity meters in a hunt for structures and information, following clues over 9,000 square miles in southwestern Alberta. By 1946 they had poured over $4 million into the hunt but had not probed into the earth except with shotholes of seismograph crews and shallow structure test bore holes. The company scientists, even after this high cost search, were not at all sure of success. The best prospect they had located was a deeply buried anticlinal structure or ridge south of Pincher Creek and not far from the shallow drilling of nearly half a century before. We are taking steps to show how much we need the great, powerful concerns of the United States to discover our oil.

Gulf Oil had to consider whether or not to take a very risky gamble and drill to test whether gas or oil lay below the Madison limestone formation, which is the productive core of the Turner valley field 100 miles to the north. This core would have to be reached and pierced. They knew that the Madison limestone could be anywhere from 11,000 to 14,500 feet underground. The cost of the necessary deep drill tests might be $1 million. The odds were at least 10 to 1 that the Madison might not be productive when it was penetrated, and all that money might be spent in vain.

[Mr. Blackmore.]

Gulf decided to take the gamble and in January 1947, a few weeks before Imperial Oil discovered the Leduc field, Gulf announced that it would drill its Pincher Creek No. 1 wildcat. Gulf Oil gathered itself for the challenging effort. It contracted for one of the most powerful drilling rigs then in existence, capable of cutting a hole 15,000 feet deep through hard rock, at a price of nearly $1 million. All this goes to show how helpless we would be in getting this development if we did not have powerful concerns ready to take the risk.

Mr. Ellis: Why does not the government do it?

Mr. Blackmore: Why does not the hon. member show a little common sense instead of talking so much talk?

On April 23, 1947, Gulf began to drill and the battle was on. Eight months went by, months of unremitting strain for all concerned. Then the crew reached the Madison limestone at a depth of 11,700 feet, over two miles into the foothills of the rockies. Fifty-five feet into the Madison they bored and they struck porous lime, the container for oil, gas or water. If it was water, then of course all their efforts would have been in vain. They drilled 45 feet farther and halted at 11,800 feet, having set a North American record for an open hole.

The danger to the well was extreme. The pressure on a nine inch diameter hole at over two miles of depth is tremendous. Surface casing extended from the top to a point 440 feet down, but below that were 11,360 feet of hole unprotected except for the mud coating left by the drilling mud which was kept continuously circulating through the drill pipe to bring rock cuttings to the surface. In order to protect the well a seven inch casing was run and cemented to 11,755 feet.

Then on December 28, 1947, a drill stem test was run to determine the contents of the porous rock. The drill stem test proved that the field was under enormous and very dangerous pressure; second, that there was a highly gratifying deposit of wet gas. This was only the beginning, Mr. Speaker, of the tremendous story of the discovery of gas in Alberta.

Let me ask hon. members of the Conservative party at least, who do make a pretense at having sense; why run the chance of discouraging companies who would come into Alberta and Canada to find field after field like this, greatly to the blessing of the whole Dominion of Canada and perhaps the means of saving us in case of a war? Can you afford to take the chance of delaying this bill, delaying construction of this pipe

line and perhaps destroying this company, thus rendering almost impossible the build-up of another company, with great loss to this nation?

Now, Mr. Speaker, I think for the time being I shall defer the remainder of this story and tell it at some future time.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, in rising—

Mr. Knowles: Now we will hear about the Saskatchewan dam.

Mr. Gardiner: —to speak on the second reading of Bill No. 298 I wish to confine my remarks largely to what I consider to be the real issue we are discussing. In the first place, we have heard a lot of references to matters that do not have a great deal to do with the building of a gas line at the present time. Speakers from the official opposition have allowed their minds to run back to the time of Sir John A. If it had not been for Mr. Creighton's book I am afraid they would not have had anything to talk about. The activities of Sir John A. had to do with something that is very important in a country like this.

This is one of the largest areas that is under one government anywhere in the world. There are probably two other such areas, and one would be a little doubtful as to whether either is fully organized under one government, but two other countries have a larger area. The United States is not one of those. This country has a larger area than the United States. On this continent, therefore, one of the most important activities has always been that of connecting one section of the area either in the country to the south or in this country with another area in the same country.

The great issue at the time of confederation was as to how we were going to link the east with the west, the west at that time being British Columbia. The first effort was a transcontinental connection between the two areas in the form of the Canadian Pacific Railway. Well, I suppose our Conservative friends can justify the position they take that this was one of the greatest undertakings, and perhaps one of the most successfully carried out, of all of the operations that have had to do with the connecting of this area into one country.

While we talk about a great many other things when we are trying to establish wherein Liberalism has meant most to the Dominion of Canada, when it comes to the question of uniting our country and making it possible to broaden out the base upon which it is built, perhaps the second great effort was the building of the second transcontinental railway across this country. Then it is probably right to say that the third greatest effort that has been made in uniting this country has come about as a result of the latest discovery of a power that makes it possible for us to have aeroplanes driven by internal combustion engines carry us in a few hours from one end of this country to the other.

That effort, too, was set up under not only the Liberal government but under this present government.

Mr. Knowles: Publicly owned.

Mr. Gardiner: Yes; I am coming to that in a minute. Then again we have had activities connecting the southern areas with the northern areas, and many of those activities have been carried on by provincial governments in different parts of the Dominion of Canada.

Now we come to another method of transporting what used to be freight, what we used to carry on cars, in so far as oil was concerned on railway cars of a type built for the purpose. Oil today is largely being transported by pipe lines. And now that we have gas in quantities which can be transferred from one end of the country to the other, that again is being made possible through the construction of pipe lines, so this question of putting in the first transcontinental pipe line, you might say, although it does not quite extend from one coast to the other, is naturally a very important issue in this house at the present time.

Someone said something about government ownership. I am not going to go into the details with regard to why it is difficult to apply government ownership to this project. That was very successfully done by the minister who has charge of the bill and also by the leader of the Social Credit party when they spoke on the resolution. Therefore I do not think it is necessary to put anything further on the record in that regard; but something said by the hon. member for Rosetown-Biggar stirred certain memories, and I should like to refer to them in relation to government ownership of utilities, and do it in just a few words.

The hon. member said in this house, Mr. Speaker, that there were two members of the government who had been leaders of governments in the provinces; that both of them had had something to do with the setting up of publicly-owned utilities, and he thought we should have known better than to have allowed a bill to be brought down of the kind that was brought down here. The best claim he could make for that statement was that the agreement was not attached to the bill. Well, the bill keeps on referring

to the agreement, and I suppose it would be a little more easily found if it were attached to the end of the bill, but I do not think it would make any particular difference either to the legality of the bill or to its effectiveness in making a project of this kind possible.

I had the privilege of either sitting behind or sitting in the government of all the premiers of Saskatchewan, or sitting in opposition to them, except the present one; and I sat with the present premier in this house. Therefore I know a little about the activities of those times. The first public ownership scheme in the province of Saskatchewan was the telephone system, which was set up in 1906, the year after the province was formed. We have had government-owned, controlled and operated telephones practically all through the history of the province, set up under the Liberal government of Hon. Walter Scott.

Then sometime later, while I myself was premier of the province, I had the privilege of setting up the power commission in the province of Saskatchewan that established government ownership, operation and control of power in that province. And now my friends come along and say that the Liberal members of this house, the Liberal members in Saskatchewan and Liberals in general, have been very critical of their activities in setting up organizations there which are under the same kind of control and operation.

Well, I am sure my hon. friends will agree with me when I say that practically all the profits they have ever made under government ownership and government control—socialization, so to speak—have been made from the telephones and the power commission set up by the Liberals while they were in power. They have tried out the boxes; they have tried out the fish; they have tried out the timber; they have tried out a great many other things, and now they finally have made up their minds that even they are convinced that is not the proper way in which to set up organizations to deal with the resources of the province.

I hold in my hand the prospectus of the Saskatchewan Cement Corporation Limited, the submission which they have made to the public in order to sell shares. Let me read this one sentence from it. This will sound good to you when I read it:

> The company's bankers have agreed to purchase $5,500,000 guaranteed first mortgage 5½ per cent 10 year serial bonds at 99·25, subject to the same being guaranteed by the provincial treasurer of the province of Saskatchewan.

Well, my hon. friends, having tried the application of public ownership and control to making boots, to making blankets, to making a lot of other things, and having cast them all into the discard, have now come back to following exactly the same plan of organization that has been followed in order to set up part, and only part, of this particular pipe line. Therefore I call their attention to the fact that they themselves have done all the answering that needs to be done; they themselves have given every answer.

Mr. Ellis: You yourself have sabotaged it.

Mr. Howe (Port Arthur): You can't take it.

Mr. Gardiner: The night before last I attempted to ask a question of the leader of your group. He refused me the right; therefore I think I have a perfect right to go on with my speech.

This afternoon when there was some comment made by the leader of the C.C.F. party to the Minister of Trade and Commerce, in the midst of that discussion the minister called attention to the fact that certain things had been said and afterwards the minister himself produced proof of what he had been saying. I hold in my hand the statement made by the hon. member for Eglinton of the official opposition. At page 3935 of *Hansard* of May 15, 1956, he is reported as having said:

> The Minister of Trade and Commerce concluded his words on May 8 with this sentence:
> "The action proposed today is another declaration of independence by Canada . . ."
> That is an interesting expression.

May I say we have been listening here for some days to speeches being made and terms being applied to members on both sides of the house, and I would just like to submit my opinion with regard to what really does give a person the right to rise in his place on the floor of this house and raise a question of privilege. I am quite certain that when the leader of the C.C.F. party said to my friend back here that he was representing certain corporations in this house, if there is no privilege in connection with that then there is no privilege in connection with anything.

That was a real question of privilege. No hon. member has the right to come to this house to represent here any particular corporations, or any particular individuals for that matter. He represents a constituency, and on being elected he comes here to speak for all the people in the Dominion of Canada on these different issues. If he is accused in this house by another member of being here to represent some particular corporation or industry then, of course, he has the right of privilege to bring it up, and such statements ought to be withdrawn. But I think this one

with regard to the Minister of Trade and Commerce caps them all:

> The Minister of Trade and Commerce is confused, you see, as to what country he is supposed to be serving.

Now, what is that based on? That is based on the fact that the Minister of Trade and Commerce was born in the United States. He goes on to emphasize it. Well, I would like to suggest to this house that at least 25 per cent, and probably more, of all Canadians we have in this country were born in some other country and came here. I would also like to suggest that statements of this kind do no credit to this house, and certainly do no credit to those who send members here who make that kind of statement. There are a lot of people in Canada who will remember statements of that kind and see to it that some of those who make them do not come back again.

Mr. Ellis: Call an election now.

Mr. Gardiner: There is one thing, however, the people will always remember regardless of what party they belong to, what country they were born in or what part of Canada they live in. They will all remember that the Minister of Trade and Commerce has performed a greater service for this country than anyone else in his time. Not only that, even taking into consideration what has to do with the placing of a measure like this before the house, they will remember he has done at least as great a service in that regard as he has done in a great many other instances since he has been in this house. Why do I say that?

Miss Aitken: Yes, why?

Mr. Gardiner: All the discussions which have taken place here relate back to one or two questions. They say, "Just why did not the Minister of Trade and Commerce bring to council and start a detailed discussion on the terms of the McMahon proposal?" Well, if any minister who already knew the opinion of the government on the main issues raised by a proposal of that kind were to carry all such proposals to the government, he would not be in the government very long. There is only one man in this house whom I can see before me who ever served in a federal, non-Liberal government in Canada.

An hon. Member: For six weeks.

Mr. Gardiner: Anyone who has ever served in a federal government knows that every minister receives proposals every day, sometimes marked confidential and sometimes not marked confidential, which he does not take to council. If that were not the case we would get no business done at all.

What is the position in connection with this particular project? Well, in the first place there are two points of importance. The first is that this line must be kept on the Canadian side of the border for certain reasons, and anyone in this house can easily determine what are those reasons. The second point is that in so far as the gas is needed in this country it must be kept on this side of the line.

If anyone wishes to determine why certain steps were taken about which questions were raised this afternoon all they need do is refer back to those two facts, both of which were basic in Sir John A.'s beliefs. After all, as was stated a few moments ago, gas was discovered in Alberta some time ago in considerable quantities. The government of Alberta quite properly said in the beginning they wanted to make absolutely certain there was going to be sufficient gas reserved within the boundaries of Alberta in order to make it possible to develop industry there and maintain it to the extent which is necessary. After further development, and after examining the available supply, they could confidently say some 500 million cubic feet per day could be exported from Alberta. That matter was, of course, discussed by the federal government, and it was discussed in relation to a pipe line.

It was suggested by some people that we build a pipe line down to Winnipeg and from there to the south, making no provision whatever for the building of a line beyond Winnipeg to the central part of Canada, and merely to allow a company to continue selling gas in the United States until they made enough money to build the line through the northern part of Ontario and on into the eastern part of Canada. Questions like that were discussed by the government, and the government came to the conclusion that this kind of thing could not be allowed to happen.

Why? In the first place, if you allowed that gas to go down across the line at Emerson into the United States and on down to Minneapolis and Chicago—it was even suggested that we try to push it around to Detroit and into eastern Canada—you would establish there private interests which would be interested in the retention of the gas in that section of the country, interests which you could not discard in future without causing a great deal of trouble with the country to the south. The government naturally decided that any system that was set up had to be on a basis which would keep a certain amount of gas for this country. The figure struck was 300 million cubic feet per day which could be used in this country and therefore had to be retained here for our use.

Of course a question arises as to what is going to happen in the future. That will depend on the further production of gas and its distribution. Before they can get any increase of gas across the border they must get a permit from this government in order to take it across. In other words it has been made absolutely certain that any gas which is required in this country is going to be kept on this side of the line and used here. Many people say it has something to do with the cost. That reminds me of some things which took place in my own province. Great boasts have been made about the fact that gas is to be taken into two of our cities under a government-owned and controlled system.

Mr. Ellis: Are you opposed to that?

Mr. Gardiner: I am just going to tell you something you will be opposed to before you pay for it very long. That gas is costing 83 cents in Regina and 83 cents in Saskatoon.

Mr. Ellis: There is no gas in Regina yet.

Mr. Gardiner: —and 84 cents in Prince Albert, and under this plan gas is going to be sold in Winnipeg for 30 cents. I am sure you will be saying a great deal about that if you decide to reside permanently in Regina. That is something that is happening under government ownership and control, and about which our friends do not tell us the whole story.

Provision is being made under this system to keep gas on this side of the line, and to build only an arm of the line to take out whatever surplus gas there is, which we are sure we can allow to go into the United States without interfering with conditions here and without creating vested interests on the other side of the line which we cannot maintain. All that is protected by this scheme.

Let me ask you this question. When Mr. McMahon came along and offered to do this job and said he could finance it, what were the conditions in the offer? He could finance it if we would allow him to ship 400 million cubic feet of gas per day into the United States for 25 years. That would cut us down to a supply of 100 million cubic feet per day, one-third of what we require in this country. Once having established that situation on the other side of the line, how could the government or anyone else change it?

Talk about placing control on the south side of the line. If you want to establish control over anything on this side of the line just make it possible to ship it down there and establish vested interests on the other side of the line; then try to take it away and you will find out whether or not you are under the United States control. It is a matter of keeping the gas here. We must not create vested interests we cannot continue to supply.

It makes no difference where the Minister of Trade and Commerce had that proposal; whether he had it in his inside coat pocket as my friend the hon. member for Prince Albert would lead us to believe, whether he put it in the safe or, for that matter, whether he put it in the fire. The minister knew when he read that proposal the government of Canada would not accept it.

Some hon. Members: Oh, oh.

Mr. Gardiner: All these principles I am mentioning were discussed in the cabinet, no matter what proposal they applied to. They have been discussed over and over again. The one reason this company we are talking about now, that we are assisting somewhat to finance the building of part of the line—

Some hon. Members: Somewhat!

Mr. Hees: Somewhat? Oh, brother!

Mr. Gardiner: Even this particular organization knew what the situation was in that regard, because they wanted to do that at an earlier stage, ship the gas to the United States, sell it as fast as possible, get the finances on account of it and then build the central section. They learned from the government long ago that was not permitted, and it is not permitted now. So the gas is being kept to the extent that we need it on this side of the line.

This particular bill proposes to assist financially on two different sections of the line that is to be built. The first is a government-owned project, as my hon. friends of the C.C.F. say it ought to be.

Mr. Ellis: The whole project ought to be.

Mr. Gardiner: Are they going to vote the bill down because that is in it? Well, that is in it. It provides that the government of Canada and the government of Ontario, working hand in hand, one being Liberal and the other Conservative, are prepared to build that line across northern Ontario. If that line were not built across northern Ontario the only objective there would be in building the line from Alberta to Winnipeg, beyond providing Winnipeg with gas, would be to build a line to Emerson and on into the United States. So this bill provides for the setting up of the northern Ontario section, financed by the two governments.

Then it provides for the setting up of the next section west, the one from the Alberta boundary down to Winnipeg. In spite of what my hon. friends say, there is provision for the carrying on of the line until it connects with

the northern Ontario section. That connection will make a line from Alberta to the eastern section of Canada, where the greater part of the gas will be required in this country. The suggestion is made that we should not have agreed to loan some $80 million to Trans-Canada Pipe Lines so that it will be able to go ahead and build this year with that financial assistance. I understand they are putting some $15 million-odd into it themselves, and that the government is loaning them some $80 million, which the government gets back next March.

Mr. Fleming: Maybe.

Mr. Gardiner: My hon. friend says "maybe." That is true of every kind of loan, even the one he borrowed from somebody. There is always a provision under those circumstances under which somebody can come and even take the bed out from under you, if necessary, in order to make you pay it back. There is the same kind of provision in this bill and in this agreement whereby the government, if not paid by next March, then will be compelled, in meeting the situation that has been presented to this house—probably not compelled in the sense that some might use the term, but they would be compelled—in playing fair with the people of this country, to take that line over and see that it is built and kept on this side of the line to deliver gas to eastern Canada.

Having kept it on this side of the line and having seen to it that the gas is put into it, they must see to it that there is law provided in order to control the situation which exists and thus keep the entire control in Canada under the agreements that are talked about.

I wonder sometimes what our friends have in mind when they are talking about them. I was not here yesterday; I was around at some other places. I met three or four people who insisted on talking about this matter to me. After a while I discovered that one of them was an ex-American. He is a Canadian now, a very effective worker in business. The other two happened to be born Canadians, and they all seemed to have much the same opinion. That opinion did not agree with mine in every particular, but I have no hesitation in saying here that I attempted to convince all three of them that they were a little wrong and that the situation could be much better than they thought it was.

I simply recite that in order to say that people are getting opinions, as we discuss this in the house, from what they read in the newspapers; and they recite those opinions. But after they have recited them they say, "We are not sure whether or not we are right. We want to find out." Here is the statement given to this house by the minister on May 14, 1956, as recorded on page 3864 of *Hansard:*

> I repeat that the pipe line will be built wholly within Canadian territory.

That is No. 1. This is No. 2:

> It cannot be built without a permit from the board of transport commissioners.

No. 3:

> Not a cubic foot of gas can be exported to the United States without a permit from the Canadian government.

No. 4:

> Prices to United States customers, by the terms of the export licence itself, cannot be more advantageous to the buyer than those offered to Canadian customers. The entire project is subject to Canadian law. Parliament can at any time legislate whatever further regulations are considered to be in the national interest. In other words, an all-Canadian pipe line, whoever may own it, is completely under Canadian control.

That is the situation until March of next year. If under those conditions the whole project can be financed in such a way as to make it possible for this money to be returned to the people of Canada, then of course Canada is not subsidizing anybody. It is doing what my hon. friend from Greenwood has done for so long as I have known him, and I have known him for quite a while. He has been managing a company that has just been doing this kind of thing with the Canadian people. It has loaned them money. It has made them pay interest for the use of the money and then, if they could not pay the interest, sometimes—and very seldom, in the experience I have had with them over many years—they go out and take the man's property. They only did that when it was an absolute necessity, and often in order to carry out something the man wanted to do himself.

With all the experience of these hon. members, more particularly in the official opposition, I find it difficult to understand their attitude. I do not wonder very much that some C.C.F.'ers like the hon. member for Regina City shake their heads. I doubt very much if he ever gave a loan or got one. He cannot be expected to do anything else but shake his head. It is a terrible thing for him for anybody to lend anybody money; and it is a terrible thing when they try to collect it again. However, provision is made in this legislation so that if the company has not paid back the money, then the government can step in; and no one should be better pleased about that than our friends of the

C.C.F. party, because that is what they would like to see happen now. Provision is in here that it may be done.

Mr. Speaker: Does the Minister of Agriculture adjourn the debate or has he concluded his speech?

Mr. Gardiner: No, I think I shall have ten minutes tomorrow.

On motion of Mr. Gardiner the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, we shall continue with this debate tomorrow.

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

ANSWERS TO QUESTIONS

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

TRANSPORT VEHICLE STATISTICS

Question No. 474—**Mr. Hahn:**

How many trucks, road tractors, semi-trailers, and trailers, have been in operation in each of the provinces of Canada for each of the years 1951 to 1955 inclusive?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

REGISTRATIONS OF TRUCKS, TRACTORS AND TRAILERS AS SUPPLIED TO THE DOMINION BUREAU OF STATISTICS BY PROVINCES

—		Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon-N.W.T.
For Registration Period Ending		31/3	31/3	31/3	31/3	28/2[1]	31/12	31/12	31/3	31/3	28·2	31/3
Motor trucks:	1951–52	5,521	4,163	29,447	21,061	115,080	229,585[2]	45,784	77,033	86,929	71,646[3]	2,020
	1952–53	6,635	4,865	34,054[3]	22,282	132,525	249,460[2]	49,985	87,834	97,678	78,621[3]	2,519
	1953–54	8,104	5,424[4]	33,904[5]	22,108	136,341	271,581[2]	52,889	97,101	106,822	83,521[5]	2,315
	1954–55	9,354	5,724	36,242[5]	22,443	139,966	285,019[2]	53,212	101,719	111,894	88,637[5]	2,121
	1955–56	..	..	..	..	..	283,526[2]	..	105,415	..	98,557[5]	..
Tractors.	1951–52	107	1,453	3,827	3,858	12,251	[6]	2,449	168[7]	[6]	1,857	36
	1952–53	64	2,065[8]	4,585	4,451	14,069[8]	[6]	2,616	162[7]	[6]	2,221[8]	[6]
	1953–54	145	2,508[8]	5,327	4,748	14,993[8]	[6]	2,294	1,416[7]	[6]	2,544[8]	34
	1954–55	234	2,419[9]	5,056	4,941	18,477[9]	[6]	1,956	1,923[7]	[6]	3,169[8]	4
	1955–56	..	..	..	..	..	[6]	..	1,648[11]	..	3,540[8]	..
Trailers	1951–52	144	755	3,161	3,918	22,187	73,495	9,752	9,261	873[10]	11,707	18
	1952–53	192	905	3,596	4,435	26,678	74,937	11,538	9,676	1,051[10]	13,543	271
	1953–54	231	1,057	4,277	5,063	31,797	80,673	11,775	10,275	1,220[10]	15,417	130
	1954–55	289	1,261	5,212	5,467	38,758	86,839	12,201	10,852	1,387[10]	18,205	319
	1955–56	..	..	..	..	..	..	..	..	..	20,855	..

FOOTNOTES:

[1] Quebec registration year ended March 31 in 1952 and 1953; February 28 in 1954 and 1955.
[2] Includes all motor vehicles except passenger automobiles, buses and motor cycles.
[3] Includes buses.
[4] Includes all motor vehicles except passenger automobiles, buses, motor cycles and farm tractors.
[5] Includes all motor vehicles except passenger automobiles, motor cycles and tractors.
[6] Included with trucks.
[7] Includes road tractors and "power units".
[8] Farm tractors only. Road tractors included with trucks
[9] Farm tractors only.
[10] P.S.U. trailers only, Alberta.
[11] Power units only.

.. Not available.

Questions

MCGILL UNIVERSITY—COAL-FIRED GAS TURBINE PAYMENTS

Question No. 498—**Mr. MacEachen:**

1. Have any payments been paid to date to McGill University in connection with the development of a coal-fired gas turbine?

2. If so, what amount?

Answer by: **Hon. George Prudham (Minister of Mines and Technical Surveys):**

1. Yes.

2. Total of payments to date, $562,394.53.

HOUSE OF COMMONS

Friday, May 18, 1956

The house met at eleven o'clock.

GRAIN

WHEAT—ANNOUNCEMENT OF FINAL PAYMENT ON 1954-55 POOL OPERATIONS

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I wish to make a statement regarding the final payment on 1954-55 wheat pool operations. On May 3 I advised the house that the Canadian wheat board was making a cut-off as at May 4 covering the 1954-55 wheat pool account, and that I would be in a position at about this time to announce to the house the amount of the final payment and the rate per bushel for each grade of wheat delivered to the pool by producers.

Producers' deliveries of wheat to the pool were 318·4 million bushels. A total of 164·1 million bushels, including 42·9 million bushels of sales contracts, were transferred to the 1954-55 pool from the 1953-54 pool as at April 29, 1955. Deliveries from other than producers amounted to 600,000 bushels, bringing the total volume of wheat in the pool to 483·1 million bushels. Completed sales to the close of business on May 4 amounted to 321·7 million bushels. Therefore there remained as at May 4 a balance of 161·4 million bushels. These stocks included 112 million bushels covered by sales contracts and unsold stocks of 49·4 million bushels.

In closing out the 1954-55 pool the sales contracts were transferred to the 1955-56 pool at contract prices and unsold stocks were transferred on the basis of board selling prices for May 4. The final operating surplus in the 1954-55 pool is $62,588,000 from which must be deducted the interim payment made earlier this year. This payment amounted to $22,261,000. After providing for P.F.A.A. levy on the interim and final payments and after allowing for final payment expenses, the surplus for distribution to producers as a final payment is $39,680,000.

On producers' deliveries of 318·4 million bushels the average final payment is 12·461 cents per bushel.

The final net payments to producers on the principal grades of wheat are as follows:

No. 1 northern, 14·815 cents per bushel.
No. 2 northern, 15·143 cents per bushel.
No. 3 northern, 12·163 cents per bushel.
No. 4 northern, 11·440 cents per bushel.
No. 5 wheat, 6·553 cents per bushel.
No. 6 wheat, 8·533 cents per bushel.
Feed wheat, 10·513 cents per bushel.

Prior to the deduction of the P.F.A.A. levy the net price realized by producers for No. 1 northern wheat basis in store Fort William/Port Arthur or Vancouver will be $1·65066 per bushel.

As in the case of the 1953-54 crop, the Durum wheat position continued very strong in 1954-55 and again in the present crop year. The final payments on Durum wheat grades are as follows:

No. 1 Amber Durum, 58·653 cents per bushel.
No. 2 Amber Durum, 58·653 cents per bushel.
No. 3 Amber Durum, 62·118 cents per bushel.
No. 4 Amber Durum, 48·753 cents per bushel.
No. 5 Amber Durum, 31·083 cents per bushel.
No. 6 Amber Durum, 32·073 cents per bushel.

Prior to the deduction of the P.F.A.A. levy the net price realized by producers for No. 1 Amber Durum will be $2·34498 per bushel.

There will be a final payment on all grades of wheat delivered to the pool. However, the final payments on the feeding grades of wheat, grades that did not participate in the interim payment referred to, will not be as large as the final payment on the milling grades. Hon. members will appreciate that it was necessary for the board, in disposing of stocks of low-grade wheat delivered to the 1954-55 pool, to sell the grain at levels competitive with prices for similar qualities of wheat being offered from other countries and, to a degree, in competition with other types of feeding grains. I am very pleased, however, to be able to report to the house that the board's marketing efforts in connection with low-grade wheat delivered to the 1954-55 pool account were successful. After taking into consideration sales contracts, practically no stocks of low-grade wheat are involved in the transfer of stocks to the 1955-56 pool.

Carrying charges were again a factor of considerable importance in the handling of the 1954-55 pool account. Although somewhat less than in the previous year, carrying

charges per bushel were incurred to the extent of 16·83 cents. These charges were partially offset, however, by a credit of around 7·30 cents per bushel representing the participation of the 1954-55 pool account in the moneys received by the board under the provision of the temporary wheat reserves act. The effect of the latter credit was, therefore, to raise the final payment to producers by an average of around 7·30 cents per bushel on the 318·4 million bushels delivered by producers to the pool.

The board intends to commence mailing cheques early next week and hopes to complete the payment to producers by the first week in June.

PUBLIC BUILDINGS

TORONTO—INQUIRY AS TO WITHDRAWAL OF MUNICIPAL SERVICES

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Finance or the Minister of Public Works, or both, what action, if any, the government proposes to take in view of the intimation from the Toronto board of control that unless the federal government is prepared to make payments equivalent to taxes on federally-owned property, the city will be obliged to withdraw municipal services from federally-owned property at an early date?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I read the newspaper report, which was somewhat to the effect the hon. member for Eglinton has mentioned, but I have had no communication from the board of control, and I think until I have I should not say anything.

PRIVILEGE

MR. LOW—REFERENCE TO NEWSPAPER REPORT OF DEBATE OF MAY 15

On the orders of the day:

Mr. Solon E. Low (Peace River): I rise on a question of personal privilege. I hold in my hand a copy of the Calgary *Herald* for Wednesday last, May 16, and on page 14 of this paper is an article which is a complete perversion of the reference which I made in the debate on Tuesday night. The Canadian Press dispatch on page 14 is headed, "Nickle has Killed Himself says Low". The article goes on to say:

> Social Credit leader Low said Mr. Nickle has "killed himself in Alberta and when the next election rolls around he will find out exactly what I mean."
>
> "The people of Alberta are going to question the position he has taken."

[Mr. Howe (Port Arthur).]

Mr. Speaker, *Hansard* for Tuesday last reports that I said that the hon. member for Calgary North (Mr. Harkness) had killed himself. So that there would be no misunderstanding at the time, I pointed my finger directly at him and called him the member for Calgary North.

BRIDGES

NEW WESTMINSTER—REQUEST FOR EARLY START ON QUEENSBORO BRIDGE

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of Public Works, notice of which I sent him earlier this day and the relative information for which I communicated to him by telephone. In view of the urgency of making an early start on the Queensboro bridge and representations made by me asking for a decision on this matter, and in the light of the publicity given the fact that the public works minister has asked the hon. member for Burnaby-Richmond (Mr. Goode) to meet with interested parties and make a recommendation, will the minister make a complete statement in an effort to clarify the matter and indicate whether it is the policy of the government to send an outside Liberal member of parliament into a neighbouring area to make his recommendations.

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, the situation is that some time ago the city of New Westminster made application under the Navigable Waters Protection Act for permission to build a bridge to replace, as I understood it, the present Queensboro bridge. The department has been considering the very important navigational aspects of any such structure and has made certain suggestions which it was hoped would benefit navigation, such as a wider span. It was also contemplated the present bridge would be removed when the new bridge was completed.

Shortly after the application was received other interests communicated with us protesting about the nature of the design and in particular the British Columbia Electric Railway Company informed us that they had not yet arrived at a satisfactory arrangement for their rails over any bridge to Lulu island. The application has not, therefore, been approved. In the meantime the officials of the British Columbia Electric have been speaking to us, as have other interested parties. Some days ago the hon. member for Burnaby-Richmond telephoned me. As hon. members know, he is very interested in all things respecting the welfare of British Columbia. He asked me how the matter stood. I told

him that the point had still not been decided, particularly between the B.C. Electric and the city of New Westminster, and that as he was going out there he might wish to speak to the officials of the B.C. Electric company just to satisfy himself on the points we discussed on the telephone. That is the situation as it obtains respecting the hon. member for Burnaby-Richmond. In the meantime, the mayor of New Westminster sent me a telegram on May 9, I think, which was replied to on May 17, and yesterday, or the day before, I received a letter from him which is in the course of being replied to at the present time.

Mr. Hahn: May I ask a supplementary question? Am I to take it that the minister did not ask the hon. member for Burnaby-Richmond specifically to make recommendations in respect of it?

Mr. Winters: Mr. Speaker, I do not recall that I specifically asked him to make recommendations. He said he was going to British Columbia and I did suggest that, for his own information, he might wish to discuss the matter with the officials of the British Columbia Electric company. I will nevertheless be interested to receive his comments.

BURLINGTON, ONT.—INQUIRY AS TO MAINTENANCE

On the orders of the day:

Mr. F. E. Lennard (Wentworth): Mr. Speaker, I would like to ask a question of the Minister of Public Works. Has the government reached any agreement with the government of Ontario regarding the maintenance of the low level bridge over the Burlington channel?

Hon. Robert H. Winters (Minister of Public Works): No, Mr. Speaker, this has not been a matter of recent discussion. When we discussed in the initial stages federal government participation in the Burlington high level bridge it was on the understanding the government of Ontario would assume full responsibility for all vehicular traffic in that area.

Mr. Lennard: I would like to ask a supplementary question, Mr. Speaker. Was there not an understanding that the federal government would contribute towards the building of the high level bridge under that agreement?

Mr. Winters: A part of the discussion involved federal government financial participation in the high level bridge. The provincial government subsequently told us they do not anticipate they will require federal government financial participation.

Inquiries of the Ministry

LABOUR CONDITIONS

STATEMENT REGARDING SETTLEMENT OF SEAMEN'S STRIKE ON GREAT LAKES

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): In view of the questions that have been asked with regard to the seamen's strike on the great lakes, Mr. Speaker, I might bring the house up to date with the situation. The terms of settlement of the dispute between the seafarers' international union and the association of lake carriers were agreed to in discussions between the parties and the mediator, Mr. Goldenberg, at an early hour this morning. But because of a new development in the situation an adjournment was taken until three p.m. today to give the mediator and the representatives of the parties some rest. During the past few days conferences have been going on almost continuously.

The new development to which I refer arose out of the fact that there are two other unions, representing deck and engine room officers respectively, involved in disputes with the same employers, and while they are not jointly carrying on negotiations with the seafarers' union and the employers' association there is a tacit agreement between the three unions to support each other, and representatives of the two officers' unions have been present as observers at the conferences presided over by the mediator.

The disputes between the two officers' unions and the employers have not yet gone through the conciliation procedures provided by our legislation but it is the desire of all the parties concerned that a settlement be reached at the present time resolving all three disputes in order to avoid the possibility of another work stoppage at a later date involving the ships' officers.

It is to this problem that Mr. Goldenberg, the mediator, has to address himself this afternoon and I have every confidence that he will be as successful in this endeavour as he was in the other.

HOUSE OF COMMONS

INQUIRY AS TO CALLING OF EARLY ELECTION

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Prime Minister? In view of the general interest of the people and the indignation of all of us across Canada, has the Prime Minister given consideration to the calling of an early election?

Inquiries of the Ministry

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker. The Prime Minister feels that there is a responsibility to the whole of Canada to deal with many other matters before any dissolution of parliament could be considered. In particular, there is the implementation of the proposed fiscal arrangements that have been made for the provinces that we feel must necessarily be dealt with. Another matter is that we feel it is in the interests of Canada generally that there be a start made this year on the construction of the pipe line, and the calling of an election is something which would make that quite impossible.

Mr. Fleming: You have no mandate for what you are doing.

Mr. Rowe: You should get a mandate.

Mr. St. Laurent (Quebec East): The hon. gentleman will have his opportunity to state his views.

PIPE LINES

TRANS-CANADA PIPE LINES—OPTION TO PURCHASE PIPE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. Is the minister yet in a position to table Trans-Canada's option to purchase pipe in the United States which a week ago today he promised he would table?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yes, I am very happy to say that the document arrived in my office this morning. In the meantime, the option has been translated into a firm contract, and the contract has attached to it certain mill orders and other documents which are now being examined, and I hope to be able to table the contract either today or Monday.

TRADE

GATT—REPORTED TARIFF CUTS BY CANADA

On the orders of the day:

Mr. George H. Hees (Broadview): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Is the minister in a position to give the house any information about the possible tariff reductions which it is reported Canada is making through GATT?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the announcement of the result of the GATT negotiations will be released in all countries shortly. I am unable to make any announcement until the release date arrives.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Thursday, May 17, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Right Hon. J. G. Gardiner (Minister of Agriculture): Mr. Speaker, I understand I have nine minutes left which I wish to use in summing up my remarks of last night. In order to do that I wish to say that early delay and the necessity now for speeding up to meet the deadline of June 7 can be explained on the ground that it was necessary to make certain no vested interests in gas are created on the United States side of the line which would rob this country of supplies of gas and transfer control south of the border.

Once the government had decided it was necessary to keep at least three hundred million cubic feet of gas on this side of the line, it would have been absolutely foolish for the Minister of Trade and Commerce (Mr. Howe) to have been running to council with proposals to take from 400 to 500 million cubic feet of gas out of this country.

The government, for the same reason Sir John A. decided to build a trans-Canada railway, decided to build a trans-Canada pipe line, or to have a trans-Canada pipe line built. To build a line to Winnipeg without making sure there was an all-Canadian connecting link between the prairies and the industrial east would have resulted in building a line south to market gas. This would not only have drained a source of power out of Canada but would have drained the young men and women out of the part of the country which needs increased population, not decreased population. Population certainly would follow a gas line into every industrial centre from Emerson through Minneapolis, Milwaukee, Chicago and Detroit, and vested interests would have taken control of the gas entirely out of the hands of Canada.

The C.C.F. say, "We agree with all that but let the government build the line". We point out there are fields in which government ownership is essential. We prove it by the success of hydroelectric power put in by Conservatives in Ontario and telephones and

power put in by Liberals in Saskatchewan, but we point out that the present Saskatchewan government has proven, when they attempted to apply the principle of public ownership and control generally, that it has its limitations.

We recognize that under private enterprise there must be legitimate profits and sufficient risk must be taken out of any national project to make legitimate profits possible before it can be financed.

Now therefore we join with Ontario to build the bridge across northern Ontario just as we paid $7 million to bridge the freight costs over the same area. But benefiting from the experience of Saskatchewan we encourage private enterprise to develop a billion dollar development in Alberta and eastern Canada. There is provision in the bill to allow private enterprise to take over the whole project if that is found feasible, but there is also provision to bring the whole line under the government if that is necessary to retain both the line and control on the Canadian side of the line.

It is not bad for United States capital to come in here from a friendly nation any more than it was bad for United States independence that British capital came in from an unfriendly nation in the early stages of United States development. It would have been bad to get quick sale for Alberta gas to the United States which would have created vested interests in the United States and drained our population south. This plan protects Canadian interests in every possible way and permits the entrance of United States capital into the development of our industry in a manner which increases friendship and wards off enmity.

Mr. Manning of Alberta, Mr. Campbell of Manitoba and Mr. Frost of Ontario say that time is of the essence. The hon. member for Prince Albert (Mr. Diefenbaker) speaking for the Conservatives, and numerous C.C.F. members from the west, have boasted, one to ward off United States domination and the other to bring in socialism, that they are going to use every device possible to prevent this measure going through.

They have used every possible device which the rules permit them to delay the bill. They have delayed estimates by talking, they have prevented debate and have wasted time by calling a total of 15 votes within the last week. They have used every device the rules of the house permit to delay the passing of this measure. We are using the one device available to us, and it is a device the Tories gave us in 1912, by making closure possible. They have used it four times; we may have to use it four times. They have compelled us to do this. We are simply using a rule they gave us to overcome their use of the rules. They could have discussed this matter for 15 days if they had not followed the procedure they have been following of avoiding discussing it at every opportunity they could. By using the rules of this house they have deprived themselves of the right to discuss the bill. They have deprived themselves of the right to discuss a pipe line across this country. Yesterday the hon. member for Prince Albert denied a member of his own caucus the right to get up and put him right on something he was stating to this house. They are following every possible device to delay things with regard to this matter and to prevent it getting before the people of Canada and have to date succeeded fairly well in wasting most of the time that has been made available to them.

In summing up what I had to say last night with regard to the Minister of Trade and Commerce (Mr. Howe) who is in charge of the measure may I say that as I look across at my C.C.F. friends I realize that close to a majority of them were born outside of this country. When I look at my friends immediately across the aisle I remember that one of their ablest members, the hon. member for Dufferin-Simcoe (Mr. Rowe), was born down there. In view of the fact that I had my elementary education in the United States, although I was born in this country, I am beginning to think that we are not a bad bunch of people. Although there may have been early influences on our lives down in the United States, since we have become members of this house we have done nothing but try to serve the best interests of the people of Canada and, as I said last night, the Minister of Trade and Commerce has been a leader among us.

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I rise on a question of privilege. During the course of his remarks last evening in the speech which the Minister of Agriculture has just completed he made some comments about myself and certain references which prompt me to rise now on a question of privilege. The Minister of Agriculture referred to a remark of mine found at page 3935 of *Hansard* of May 5, as follows:

> The Minister of Trade and Commerce is confused, you see, as to what country he is supposed to be serving.

Then the Minister of Agriculture went on to say, as found at page 4059 of *Hansard* of yesterday:

> Now, what is that based on? That is based on the fact that the Minister of Trade and Commerce was born in the United States.

The minister used that in relation to what he said was a question of privilege. Let me make it very clear, Mr. Speaker, that I had no reference to the place of birth of the Minister of Trade and Commerce. I have never yet judged any man on the place of his birth—

Some hon. Members: Oh, oh.

Mr. Fleming: —because the man is not born yet who has any control over the place of his birth. Let me make it quite clear that this was no reference to the place of birth of the Minister of Trade and Commerce. When I said what I said I was purporting to judge the Minister of Trade and Commerce not on where he was born but on his actions, his attitudes and his policies. In saying, as I did, that the Minister of Trade and Commerce—

Some hon. Members: Order.

Mr. Fleming: —is confused as to what country he is supposed to be serving, I was discussing—

Some hon. Members: Order.

Mr. Fleming: —the policies, attitudes and actions of the minister. I had no reference to the place where he happened to be born.

Mr. Howe (Port Arthur): Mr. Speaker, I call your attention to the fact that was not a question of personal privilege and that the hon. member has now spoken in this debate.

Mr. Gardiner: Mr. Speaker, in view of the remarks just made I think I should have the privilege of referring again to what was said by the hon. member for Eglinton. I did not read it all last night and I will read it all this time. As found at page 3935 of *Hansard* of May 15 the hon. member for Eglinton said:

> The Minister of Trade and Commerce concluded his words on May 8 with this sentence:
>
> "The action proposed today is another declaration of independence by Canada . . ."

Then follow the remarks of my hon. friend.

> That is an interesting expression. There never was a declaration of independence in the history of Canada, but there was a declaration of independence in the history of the United States. The Minister of Trade and Commerce is confused, you see, as to what country he is supposed to be serving. What the Minister of Trade and Commerce really meant to say was: "The action proposed today is another American declaration of independence with Canadian assistance."

Some hon. Members: Hear, hear.

Mr. Gardiner: If my hon. friend wishes to read anything else into that but the statement that I made last night—

Mr. Rowe: No relationship at all.

Mr. Gardiner: —all I can say is I am quite sure that every member of the house, even my hon. friend's own members, took the statement at the time it was made as an intimation that the minister was born in the United States—

Some hon. Members: No, no.

Mr. Gardiner: The statement has no meaning and did not carry any reason for being made other than that.

Mr. Fleming: Mr. Speaker, the Minister of Agriculture cannot change the facts. I have made a statement as to the meaning of my remarks and nothing that he says can change the fact. I say that the comment I made at that time had to do not with the place of birth of the Minister of Trade and Commerce but with the effect of his policies, actions and attitudes.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, since we first had the opportunity to discuss this measure on the resolution introduced last Monday which resulted in the bill now before us, we have heard from a good many hon. members, the majority of whom represent constituencies which will be affected directly by the construction of a pipe line from the Alberta gas fields to Toronto. I come from a constituency which cannot possibly receive any direct benefit from the pipe line, and my constituency is by no means the only one which will not have any direct benefit accruing to it from the construction of the pipe line. There are also those on the maritime seaboard, on the Atlantic coast, who will reap no benefits.

I am interested to note that the title given to the bill, namely, an act to establish Northern Ontario Pipe Line Crown Corporation, is far more realistic than the grandiose name chosen by the company which will obtain the loan and the greatest benefit from this crown corporation when it is set up. Just fancy, this company has the audacity to call itself Trans-Canada Pipe Lines! Trans-Canada indeed! Why, there will be no pipe of this company laid within a thousand miles of my constituency. Yet it calls itself Trans-Canada Pipe Lines. That shows the degree of knowledge of geography that the promoters of this company have although perhaps that might be excusable so far as American directors are concerned, who might not be expected to know too much about the geography of Canada. But listen to what the

venerable member for Fort William (Mr. McIvor) had to say as found at page 3942 of *Hansard* of May 15. These are his words:

. . . putting this national gas line all across Canada.

All across Canada! What misrepresentation! The hon. member must know better than that. He must realize that the pipe line is not going to the Pacific coast, that the pipe line is not going to the Atlantic coast. Perhaps be is daring to insinuate that British Columbia is not a part of the Dominion of Canada. I never heard such nonsense before.

What is the reaction of the people in those parts of Canada that are not going to be served by the pipe line? I do not think there is any enthusiasm for the construction of the line on the part of people living where they are not going to be directly served with the gas. Do you realize that under private enterprise in British Columbia, Mr. Speaker, we have already had constructed an oil pipe line from the Peace river district through the mountain ranges to the Pacific coast? That has already been constructed and we did not come with our hands outstretched saying: "Give us a grant from the federal government."

Then we have a gas pipe line under construction at the present time and we have not come running to the federal government asking for millions of dollars for that project. In the part of our country where it is being constructed it is infinitely more difficult to construct a pipe line than around the northern part of the great lakes. I wonder whether I should appeal to the minister and the government to make a grant of a few million dollars to run a spur line from this gas pipe line over to Vancouver island. Why not do that? You might just as well make a contribution for that purpose as to make a contribution to this so-called trans-Canada pipe line around the northern shore of lake Ontario.

An hon. Member: Lake Superior.

Mr. Pearkes: Lake Superior. I suppose it goes around lake Ontario too. I wonder whether it would not be possible for the government to send some of their ministers out to Vancouver island to explain why my constituents must make a contribution towards this northern Ontario pipe line.

I should like the Minister of National Health and Welfare (Mr. Martin) to go out to Vancouver island and to explain to the old age pensioners of my constituency—and there are a great many of them—that the federal government cannot raise the pension of $40 a month which it gives them because it would cost money, and that extra money is required for the wealthy promoters of this gas line.

I should like to send out the Minister of Veterans Affairs (Mr. Lapointe) and let him go to the Legion branches on Vancouver island and tell them the reason the government cannot put an addition on to the veterans' hospital in Victoria—something which the Legion branches all over the island have been asking for—is that they need that money to construct a pipe line to Winnipeg and to Emerson.

I should like the Minister of Public Works (Mr. Winters)—who I notice is in the house—to go out there and explain to the fishermen around the Pacific coast that he is not able to provide the necessary harbour facilities and safe berthing for their vessels because the money which would be required to put up those protective measures is required to help finance this pipe line.

I should like the Minister of Transport (Mr. Marler) to go out to the west coast and explain to the mariners there that he is not able to give them an adequate life-saving service because the money is required for this pipe line rather than to be put into life saving apparatus.

I should like the Minister of Finance (Mr. Harris) to go out to the west coast and explain to the municipalities that he is still obliged to go on taxing them on everything they purchase because the $20 million or $30 million which would be lost to the treasury by the removal of that sales tax is required to build this pipe line. Let him tell the school boards that he must still go on taxing them on the supplies they buy because that money is needed for the construction of this pipe line.

Then I should like the Prime Minister (Mr. St. Laurent) to go out there and meet the superannuated federal civil servants, those who have worked for this government over the years and who made their contribution believing that their superannuation pension would purchase a standard of living that they would enjoy when they retired, only to find that the inflationary policies of this government have not permitted them to obtain that standard of living which they anticipated. Let the Prime Minister tell them that he has no money with which to augment their superannuation pensions because that money is required for the construction of this pipe line or to assist in its construction.

All those groups of people on the Pacific coast to whom I have referred are taxpayers. All of them will be obliged to make their contribution towards the construction of this trans-Canada pipe line, and they will

be obliged to tighten their belts in order to do it. I do not want to give the impression that we are an insular people and that we are not prepared to play our part in the development of Canada. Far be it from that. But we do not like to feel that a government is playing fast and loose with our money. We want to be quite certain that any scheme in which we invest is an economically sound one.

There was a time, Mr. Speaker, 20 years ago, before this government came into power, when the Canadian was represented as Johnny Canuck, a bronzed, strong figure wearing a Stetson hat, with sleeves rolled up ready to take on any job at all. You do not see Johnny Canuck in any of the cartoons today. What have you in his place? You have a miserable little man who is downtrodden, whining and grumbling, and wrapped up in a barrel: "UNO Who".

Some hon. Members: Oh, oh.

Mr. Pearkes: It is all very well to laugh, and I know that these caricaturists exaggerate. However, these caricatures are an indication of national character. Have we after 20 years of Liberal government changed from Johnny Canuck to "UNO Who"?

Last year I thought I saw a small flickering flame of national pride in the federal government. When they rose in their wrath for a few days and protested against the action taken by the Social Credit government of British Columbia in, as they put it, "selling out" Canadian water to the United States through the Kaiser dam. How strange it is, 12 months afterwards, here you have the Liberal government and the Social Crediters—

Mr. Rowe: In the same bed.

Mr. Pearkes: —allies here, thinking about sending out by pipe something far more valuable than even the water resources of British Columbia.

We should like to examine this all-Canadian pipe line and to see whether it is worth our while investing the money that they will take from our people in taxes. In 1951, five years ago, Mr. Tolmie came down here representing the trans-Canada pipe line company and he put forward the argument that this was a simple proposition, that there might be some little difficulties and some lean years—three lean years, in fact—after they had the pipe line constructed until such time as they had built up the market in eastern Canada. At that time there was no reference whatever to the necessity of exporting any gas. The markets would soon be available in eastern Canada. There would be only three tough years, according to him, and the only interest he had was to build a pipe line across Canada to bring Alberta gas to what he described as fuel-hungry parts of eastern Canada. With those representations, it was not unreasonable that the government, feeling that it would be an excellent thing to have a pipe line in Canada rather than for the gas to be sent across to the United States, agreed and gave a franchise to this company to go ahead.

Then it became evident to the company that it would be necessary to export some of the gas to the United States. A proposition was made that two-fifths of the daily amount of gas passing through the pipe line could easily be spared and could be exported with advantage to the United States. It was said it would be better to do that south of Winnipeg rather than send it directly south from the gas fields of Alberta. A branch line was to be built from Winnipeg to Emerson and through that branch line there would be some 200 million cubic feet passing daily. Reasonable—yes; we will authorize that.

Then, they had to look for a distributing agency in the United States and this chosen instrument of the government selected the Tennessee Gas Transmission Company to be the importing and distributing agency in the United States. But then difficulties were encountered because there is a law in the United States, a very reasonable law, that any organization importing gas into the United States must obtain a permit from the federal power commission. Nobody could take any objection to that, so an application was made to the federal power commission to see whether 200 million cubic feet a day might not be imported into the United States. Proceedings were held before this commission, and the commission had certain responsibilities to the other distributing agencies in the United States. It soon became evident that if the Tennessee Gas Transmission Company imported gas into the states immediately south of Manitoba, they would be conflicting with other companies such as Northern Natural Gas; People's Gas and Coke and American Louisiana, distributing companies already in that area or with projects already laid out for the distribution of their supplies into the area into which Tennessee was entering.

They made strong representations to the commission, and as they were powerful companies there was every indication that the proceedings would be very, very long. Of course, there are other interests too. There are the coal mining interests in the United States who have been selling their coal to Ontario for many years. They do not want to lose that lucrative market, so they are also making their representations to the federal power commission. There was no likelihood

in the immediate future of the Trans-Canada company being able to get enough money from their exports to the United States to construct the portion of their line between Winnipeg and Toronto around the north shore of lake Superior.

It was then desirable to re-organize the finances of the company to see whether, by bringing in other powerful interests, other high class salesmen, they might not be able to interest United States and Canadian investors in this company. They must raise the money somehow if they were going to build this pipe line. But the Canadian and United States investor was not interested. He was not at all sure that this would be a paying proposition if, by any chance, Tennessee was not able to import and sell the gas in the United States. He was not at all sure there would be a market even for the 300 million cubic feet per day in eastern Canada. I do not know whether any consumers have already declared their intention to buy the gas in eastern Canada. Anyway, there was a great deal of uncertainty and the public was not going to fall for it. So the company came to the government again and said, "Will you construct this difficult portion of the line around lake Superior?" The government, anxious to fulfil their promises, agreed to construct this line between the Manitoba boundary and Kapuskasing, together with the Ontario government, for something over 118 million.

Then what happened? I think you begin to see the sinister workings that there are behind this whole scheme. Trans-Canada Pipe Lines company got a corner on all the available pipe and the pipe is safely stored in the yards of the United States manufacturers on the other side of the border where the Canadian government cannot get hold of it and where no other Canadian company could possibly reach it. It is under guard on the other side of the border. They have cornered all the pipe that is available, all the pipe that is required.

Then, what happened? They came back to the Canadian government to say, "If you want that pipe line built this year or next year, we are the only people who can do it; we are the only people who have got the pipe." Now, then, hand out another $80 million, and the poor little Prime Minister and "UNO Who" crept down into the barrel, scraped the bottom of it and handed out to the blackmailers another $80 million. Mr. Speaker, I think that these transactions are worthy of Horatio Bottomley. If you remember, Horatio Bottomley during the first world war, who under the guise of being a patriot, fleeced the British people of millions of their money. Oh, he was quite a character. He had a very attractive personality, so attractive that although he had robbed the small British middle class people, he could still come back to them and with a smile they handed out their money again. Oh, he was quite a sportsman. He kept a string of race horses and he used to breakfast every morning on kippers and champagne. I do not know whether the Prime Minister breakfasts on kippers and champagne, but there are certain characteristics which are not dissimilar between Horatio Bottomley and the present government. Horatio Bottomley ran a newspaper, you may recall, entitled *John Bull*. Signs were posted up all across the United Kingdom during the first war: "If you see it in *John Bull* it is so". That is akin to the propaganda which is now being put out by this government: "If we say it is so, it is so". There is no need to ask any further questions. If we say that it is a matter of great urgency to build this line and that it must be done this year, it is so, John Bull says so. One dares sometimes to question the urgency of this construction. Must it be done this year? Remember, I am speaking for people who have to help pay for this line and are going to get no benefit from it. Must it be done this year? That gas, that oil in Alberta, has been there for centuries. Fifty years ago, when I first came out to this country,—and I was born in another country; I was not born in this country, but I have been here for over 50 years—I saw the gas coming out of the ground in Medicine Hat and the flame burning. It has been there all those years. It seems to me that Toronto has been a big industrial city for a long time and they have got on very well without this Alberta gas. Oh, if it is really necessary, let us know. Why is it so imperative that it must be started this year? Are all those factories around Chicago in desperate need of this gas this year? They can get gas from other directions. Is Fort William so urgently in need of gas? Is northern Ontario? Are the people going to freeze to death there? They have been living in that district for a very long time.

What about Winnipeg? I have lived in Winnipeg. We did not have any gas then and everybody seemed perfectly happy. I passed through some of the defence establishments within the last few months. I noticed great piles of coal and elaborate and excellent heating arrangements for the burning of that coal at Rivers, at Shilo, at Fort Osborne barracks. Is it necessary to change all this coal heating apparatus over to the burning of gas right away? No, I do not think so. I cannot see the urgency of this proposal. I think it would be much better—and I am quite

certain it is the opinion of all those people who are not receiving direct and immediate benefit from this pipe line—to have the whole problem reviewed.

Suppose we do have to wait for two years in order to get a sound scheme worked out; suppose you do in the end have to go to some form of public ownership, would it not be better to take that time? What is the rush? Is it because some people connected with Alberta are anxious to reap the benefits from the distribution of this gas during their lifetime? I am not at all sure that it might not be well to store up this gas. It is not all going to be burned up and wasted. Leave this oil in the ground. Let the future generations of Canadians have some opportunity before we rush in some madcap scheme to dispose of the gas and the oil immediately. Might it not be perhaps possible or even wiser to consider the advisability of moving some of those industries out from Toronto to the prairie provinces so that the industries can move to where the fuel is rather than going to the expense of bringing this fuel all the way across the country?

From time to time in this house we have heard various arguments advanced and pious hopes expressed regarding the decentralization of industry. Might it not be worth while to investigate and see whether it would not be more practical to do this instead of going to the expense of bringing this fuel all the way across the country? Personally, I do not see the need for this urgent, mad rush. Why should my constituents be asked to dig down into their pockets? Why should they be denied all those advantages and improvements that they consider are so essential for their well-being in order to develop, without full consideration, this scheme which is now proposed. I appeal to the government to give this further consideration. Let us have a second look at it. It is not such a likely or lovable scheme. Even the Prime Minister expressed doubt about it the other day. I do not believe any member of the government is really happy. It is a form of duress, it is a form of blackmailing that is being put up to them. Do you have to build this line now? Let us have another look at it; let us do something for the economy of all parts of Canada rather than for the small privileged section of two or three provinces.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I feel that in this debate an important section of Canadian history is being written. I believe that throughout the debate it is of paramount importance that at all times the interests of the 16 million Canadian people be uppermost in our minds. I further feel that I owe a debt to the thousands of people who have sent me here to use all the weapons at my command to attempt to persuade the government to change its mind about the proposal which it now is placing before parliament. If the Prime Minister was convinced about what the people at home in my constituency think of this matter, if the Prime Minister is unwilling to call a national election—I noticed the hon. member for Vancouver South (Mr. Philpott) participating in this debate: I would challenge him to persuade the Prime Minister to assure us an immediate by-election in our two respective ridings and I will oppose him either in his riding or in my riding on this issue, and I am sure two C.C.F.'ers will be returned in those by-elections.

Mr. Philpott: You have a strong urge for suicide.

Mr. Regier: I would in that case permit the hon. member for Vancouver South to appeal to the people on behalf of Trans-Canada Pipe Lines Limited and I shall tell the people about anti-Canada pipe lines limited.

In the time at my disposal I intend to show that we need a survey of Canada's resources in the matter of energy that is available and may be made available. We need a survey of the needs of Canada during the next 25 years as far as energy and power are concerned. Until such an analysis has been made on a national scale I feel it is not correct for the government to take from the public purse hundreds of millions of dollars for a scheme that is looked upon in many responsible circles as a doubtful scheme at best. The very fact that private enterprise seems unwilling to risk its capital in what is usually a most lucrative enterprise should give us cause for serious consideration.

I mean to argue in support of public ownership of the line, if a line is necessary. I maintain that this entire proposal is solidly against the national interest. I feel that even the agreements which have been entered into by the minister with Trans-Canada Pipe Lines Limited are not agreements to which any responsible businessman in Canada would apply his signature. The agreements are so one-sided and full of loopholes that the public interest is not being looked after.

I said I felt a survey of Canada's energy resources and requirements is badly needed. We have atomic energy rapidly developing. We do not know and we are not being told what role atomic energy is likely to play within the next 25 years. Many of these vast expenditures we are making may be entirely unwarranted and unnecessary. We need to be told what is taking place and what we have reason to expect. A survey should be made of our coal resources. In the interests

of all those who need coal, the people of Canada as well as the people who mine the coal, consideration must be given to what is the future role of that fuel. We have huge resources in British Columbia, Alberta and Saskatchewan and also in the maritime provinces. What is the future of oil in supplying the energy needs of the Canadian people? What future is there for hydroelectric energy and, finally, what is the picture in relation to natural gas? We need to know what supplies there are of these energy producing resources. We should know how much we need, what are the best and most economical means of transporting energy to where it is needed, what is the relationship of these resources to unemployment, what is the relationship of our energy resources to national development, the decentralization of industry, methods of distribution and what should be the role of private enterprise versus public enterprise. We should know what is the future role of atomic energy, what should be our policy with regard to the export and import of fuels, what must be done to preserve our heritage, what conservation measures are necessary, what is the relationship of the production of energy to irrigation and how it relates to our future population. Some study should be given to price structure, measures of government control and the subject of taxation.

I feel the hon. member for Cape Breton South (Mr. Gillis) has often rendered a service to this country in emphasizing the need for the early setting up of a national fuel policy board that will have its fingers on such problems as I have outlined. It is scarcely good enough that we are continuing to pursue the matter in this haphazard fashion whereby individuals, and foreigners at that, move about the country and look at where they can make a rich grab with little regard for the consequences to the people of Canada and the future welfare of this country.

There is much to be said for public ownership, Mr. Speaker. The most convincing argument for it in this case is that the people are going to pay for the line in any event. The minister is now offering to build the western leg and to entirely own the northern Ontario section. If the people have to pay for it by means of taxation, the people have a right to claim ownership. I have never before heard of someone having to pay for something and not being able to claim possession of that for which he has paid.

The Ontario and Saskatchewan governments are on record as being in favour of public ownership. Manitoba has its publicly owned hydro system and I am sure the province would not be averse to entering into an agreement whereby it also might become a shareholder in this public enterprise. There is plenty of evidence on the record that the Alberta government is most anxious to sell gas and I am convinced that is their desire. Judging from the letter of the premier of Alberta which the Minister of Trade and Commerce (Mr. Howe) put on the record yesterday, the government of that province is anxious to sell gas. The last paragraph of that letter reads in part as follows:

> . . . we feel your government would be fully justified in taking whatever steps are necessary.

I think that indicates how anxious the Alberta government is to get rid of its gas.

There are other advantages to public ownership. Public ownership allows proper conservation measures to be exercised and it allows for distribution in the national interests. If private enterprise owns the line it will build the line where and when it can make the most money. It will build the line only to such places as will provide it with the greatest revenue. No consideration whatever is given to the national needs. On the other hand, public ownership allows for the equalization of rates to consumers in smaller communities with those in larger communities. Private enterprise will not even bother servicing smaller communities because there is no money in it for them. They simply want to service areas where there is mass consumption.

As has already been pointed out by my colleagues, public ownership will mean lower capitalization costs and can ensure that the national heritage of the people will be preserved.

Private enterprise means the establishing of a monopoly. It is our contention that when a monopoly exists, whether through necessity or otherwise, that monopoly should be subject to public ownership and in this case to direct public ownership. I feel direct public ownership would give the government a splendid opportunity to aid the lower levels of government, in that many municipal governments would be able to undertake their own distribution and thereby relieve taxation on real estate in their municipalities. That situation exists in the case of hydro. In many municipalities in Canada the local government is able to relieve taxation by looking after its own hydro distribution.

I feel the present proposals are unacceptable to the people and against the national interest. The taxpayers are asked to run the risk and if the thing turns out to be an uneconomic venture the taxpayers of Canada will have lost hundreds of millions of dollars. If it is not a paying proposition Trans-Canada will never buy that northern Ontario

section; it will be a white elephant on the hands of the taxpayers of Canada. If there is money in this northern Ontario section the company will be pleased to buy it and reap the profits. The people have everything to lose and nothing to gain. It is not in the national interest because control over one of our basic natural resources is being handed over to foreigners.

The export of energy may be vital to our development. We should have a policy whereby we will export only surplus energy and not energy vitally necessary for our national development.

By and large the bill is a poor bill. It sets out a poor policy because it gives almost unlimited power to the Minister of Trade and Commerce (Mr. Howe). He can tear up these agreements next week and sign new ones. Many Canadian people may have the utmost confidence in the present Minister of Trade and Commerce but I would point out that one agreement is for a 25-year period. I certainly hope that the minister will be hale and hearty and living in retirement in beautiful Burnaby 25 years from now, but I certainly do not believe he will still be Minister of Trade and Commerce at that time. Regardless of the confidence Liberals may have in the minister's integrity, it should be borne in mind that this legislation may be administered in some future year by a Conservative, a C.C.F. or even a Social Credit Minister of Trade and Commerce and the Liberals in this house may yet regret that they wrote out a blank cheque to the Minister of Trade and Commerce.

The management of Trans-Canada Pipe Lines Limited have no personal stake whatever in this operation. I am not at all surprised that Mr. Tanner saw fit to resign as a cabinet minister in the Social Credit government of Alberta. By buying only two shares in Trans-Canada Pipe Lines Limited he is given the management of hundreds of millions of dollars of the taxpayers' money which is being handed over by a grateful federal Minister of Trade and Commerce. This is certainly a good deal for Mr. Tanner, much more lucrative than any cabinet position in the province of Alberta.

I am given further faith in my theory that this proposal is unacceptable to the Canadian people by the fact that large sections of Canada will have to pay for this pipe line without getting anything out of it. The people of British Columbia are having to pay for their own pipe line in the price they pay for gas delivered by Westcoast Transmission, and why should they be called upon to pay for a pipe line to serve other provinces of Canada? We feel that that is a double imposition upon them.

If this is to be a trans-Canada pipe line in fact and not just in name, it should include in its set-up the line now being built by Westcoast Transmission so that we could also reap benefit from the taxes that Canadians in other parts of Canada will have to pay.

I wonder what the miners down in Nova Scotia will think of this bill. When this gas arrives in Montreal it will throw them out on the streets. The Prime Minister (Mr. St. Laurent) has always refused to accept responsibility for the unemployed. Those miners will be thrown out on the streets and yet they will have to pay taxes for the very thing that is causing their unemployment. I cannot see the Liberals winning many seats in mining areas in Canada.

The limitation of $130 million in the bill upon the amount which the Minister of Finance (Mr. Harris) can lend the crown corporation means that it will be financially impossible for the corporation to build the Ontario section or even begin to build it until the company has repaid the loan in connection with the western link. That also is not in the public interest. If we are going to start building a pipe line we should be starting to build the whole pipe line, not just the western link.

Much has been made of the need of United States capital in Canada. A lot of people who know little of economics have been making some rather wild statements. They have been saying that Canadian national development will be seriously handicapped if United States capital does not continue to enter Canada in the large amounts in which it is presently coming to this country. That is an absolute falsehood as less than 10 per cent of our overall investment in 1956 is dependent upon United States investment. To even argue that we could not curtail our expansion program by 10 per cent is most ridiculous, especially as it is expected that our capital investment program will be 20 per cent greater this year than last.

The agreements themselves constitute a piece of bad business. First of all, the bill is a blank cheque. Then I notice the minister's method of doing business. I have a copy of the agreement between the government of Canada and the government of Ontario. The government entered into the agreement with Trans-Canada Pipe Lines Limited on November 21 to arrange for the section through northern Ontario, yet it was not until the day after that Mr. Porter of the government of Ontario signed a letter agreeing to the terms

of the contract for the northern Ontario section. In other words, the minister went out on a limb; he ran the risk of this agreement not being sanctioned by the government of Ontario at the time he signed it. I think that is an indication of how he does things. The "great C.D." is a quotation we often hear, but we find that he makes agreements by telephone or otherwise and signs his name on the dotted line before he has the sanction to do so by the government of Ontario.

The agreement provides for the gift of the line by whoever may be Minister of Trade and Commerce to Trans-Canada Pipe Lines Limited. In a period of about 15 years, if the line is found to be a paying proposition, the Minister of Trade and Commerce will have the right, if he so wishes, to sell the northern section to Trans-Canada Pipe Lines for the sum of $1. The agreement provides for that. The agreement says that the minister may charge 70 per cent of the original capital cost as defined in the agreement; the company has no right to purchase unless it is willing to pay 70 per cent of the capital cost. However, there is nothing in the agreement to stop a federal minister of trade and commerce selling this line to the company for the sum of $1. I submit that that should be remedied before any federal government builds this pipe line.

I fail to understand the logic of insisting on an interest rate of 3½ per cent on our investment in connection with the northern Ontario section. This is a 25-year deal, this is long-term money which usually carries a higher rate than short-term money, but this government turns around and offers a short-term loan at an interest rate of 5 per cent. I see no logic in that. There is no financial logic whatsoever in that type of deal. We are satisfied to let them have money for 25 years at 3½ per cent but on the other hand when we give them a loan for ten months we insist on 5 per cent.

The first agreement regarding the northern Ontario section is already a dead agreement because the company has already violated it in many respects as to dates of meeting obligations. The company is also—this is another serious loophole in that agreement —under no obligation to use the pipe line at all. They can allow the government to build the pipe line and they may use it but they do not have to use it. It may be a white elephant from the very day it is completed. If this company is going to build a larger pipe line south of the border which it will own I see no reason why it should want to use the government pipe line and have to pay a high rental on it.

The agreement with regard to the western section allows the minister to make a maximum loan of $80 million. The Minister of Finance (Mr. Harris), however, may lend to the corporation $130 million. The Minister of Trade and Commerce (Mr. Howe) created the impression that if the government had to take over the company because the company defaulted the shareholders and investors would lose money. There is nothing in the agreement to assure the taxpayers of that. The agreement says that the minister may buy the shares and he may even buy options on shares. He may take over the assets and rights of the company if it defaults in its payments but he may also take over all the undertakings of the company. In "undertakings" we can safely include the undertakings that the company has with respect to its shareholders. In other words, if the government needs to take over the company at the end of the ten months or at the expiry date of the loan there is no assurance to the Canadian people that the scandalous deal by which the shareholders and stockholders of all the bankrupt railway companies of Canada were bailed out by a government and the C.N.R. loaded with a terrific and unnecessary capital overhead will not once again be repeated and we will have a similar shemozzle.

When the minister takes over Trans-Canada he even has the power to pay back to them the $15 million he says they have already spent. I am wondering how much of the $15 million was a contribution to the Liberal campaign fund in 1953. There is nothing to block Trans-Canada Pipe Lines from making another heavy contribution to the next Liberal federal election campaign, and there is nothing to stop the Minister of Trade and Commerce from assuming all the indebtedness of the company with the taxpayers' money. I feel that these agreements have far too many loopholes to be sanctioned by any responsible minister of the government.

Much has been said about the C.C.F. being in an unholy alliance with the Conservative party on this subject. My reaction to that is that we of the Conservative and C.C.F. parties are Canadians all and Canadians first. The Conservatives may well represent only the monied class, the huge industrialists of Canada and what have you. I shall fight the Conservative party on their own ground at the proper time. However, so far as this problem is concerned I recognize the loyalty of my political opponents when I see it, and I have never yet accused the Conservatives of not being, as well as the C.C.F., a loyal and honest Canadian political party. The day will come when we will have in Canada

what the people of Great Britain have, a loyal Conservative party and a loyal C.C.F. party.

Mr. Knowles: The Liberals will have gone down the pipe line.

Mr. Regier: I have no use for this party that is neither fish nor fowl, that lives on political expediency only. That has been the history of the Liberal party and if it were not for the lack of political development on the part of the Canadian people, who are too busy building up the country to take much interest in politics, the Liberal party would not be able to exist. They feed on the lack of interest of the Canadian people in political matters.

The Liberals are in serious disagreement on this issue. They are floundering around. If it had not been for last Thursday's caucus meeting the Liberal party would have been unable to present this proposal to the House of Commons. That caucus meeting saw the cracking of the party whip. In the C.C.F. ranks we do allow for freedom of conscience, and I want to state here that my leader has told us in more than one caucus that our first responsibility is not to the party but to our own individual conscience. That is a lesson the Liberals have never learned and I do not think ever will learn. They are not only exercising the whip on their own members but they are exercising the whip on our democratic institutions.

Mr. Johnston (Bow River): Are you talking about the Conservatives?

Mr. Regier: Those cabinet ministers who could not agree with the Trans-Canada proposal should have had the honesty to resign from the cabinet as they do in Great Britain on each and every occasion when a cabinet minister finds himself in disagreement with a decision of the majority of the cabinet. But that is not so in Canada. Political expediency rules the roost and rules the Liberal party. It always has. I am also very surprised at the position taken by the Social Credit party—

Mr. Johnston (Bow River): Go easy, now.

Mr. Regier: —although it may be understandable. After all, they have waited for 25 long years for $25 a month. They were elected on that platform in 1935 and they have been striving for it ever since. They sold out their oil heritage to United States interests in order to lay their hands on immediate cash.

Mr. Johnston (Bow River): Saskatchewan did the same.

[Mr. Regier.]

Mr. Regier: Saskatchewan sold its oil rights under lease, and ten years from now the revenues of the Saskatchewan government from oil will exceed those of Alberta by far because Alberta sold outright. Saskatchewan said: We will take less cash and we will leave some return for those who will follow. I am not surprised at the hon. member for Bow River being loyal to the Alberta government. However, I am surprised that the four Social Credit members from British Columbia show greater allegiance to the treasury of the Manning government than they do to the welfare of the Canadian people. All the Social Credit party has done in the house is to put up a terrific fight on behalf of the producers. We were once told that there were thousands of them but *Hansard* shows us that they now only claim about a dozen.

Mr. Johnston (Bow River): You had better watch Saskatchewan. It is a little shaky.

Mr. Regier: We are rather accustomed to the Liberals and the Social Crediters taking the same philosophical outlook.

Mr. Johnston (Bow River): And the C.C.F. and the Conservatives.

Mr. Regier: In British Columbia the Liberals and the Social Crediters are still fighting right now for the patronage of the liquor, lumber and B. C. Electric interests.

Mr. Johnston (Bow River): There is nobody else left to fight there. There is no C.C.F. party there any more.

Mr. Regier: The statements of the minister to the house are a mass of bland assertions and even of contradictions. His greatest argument is that the pipe line must be built this year or otherwise we will have to wait until 1958 at the earliest. Only today he admitted on the orders of the day that the pipe was now under firm contract to Trans-Canada Pipe Lines Limited. As found on page 3862 of *Hansard* of May 14 he said:

> I have implied that taking over the enterprise of Trans-Canada would be the only way for us to enter immediately into this business. That is precisely true.

The minister himself first tells us we cannot go ahead this year and then in the same speech he tells us, "Yes, if we take over Trans-Canada pipe line we will be able to go ahead immediately". He now has admitted today that the pipe is under firm contract, so if we took over, if we expropriated this company now, we would have the pipe to go along with the deal. We would also have the technicians, the engineers, who are engaged by this company working for the taxpayers of Canada as a whole.

As reported at page 3863 of *Hansard* he made another statement which is interesting. He said this:

> Trans-Canada stands to lose several million dollars if it does not succeed in paying off the loan and building beyond Winnipeg.

The minister has never yet assured this house that Trans-Canada will lose. Under the bill he has power to pay back every cent they have invested whether they have invested it legally or illegally for election purposes or for purposes of public relations. He has that authority. He has never yet assured the house that Trans-Canada will lose a cent if they refuse to pay back the taxpayers' money at the end of 10 months. He says that Trans-Canada stands to lose. He does not say that they will lose anything.

Then in another part—yesterday I believe it was; I have my notes, for *Hansard* is not yet available—he said something else. Referring to the top four American companies he said this: Why should they offer gas below normal prices to American firms? Then in the same speech he admits that the price to Tennessee Gas is 25½ cents and the Minister of Agriculture (Mr. Gardiner) last night told us that the price to the distributor —not the consumer—in Winnipeg is supposed to be 30 cents. Right there from two cabinet ministers we have the admission that Winnipeg is to pay 4½ cents more than foreign interests will pay in order to help develop a country which in many respects is not complementary to ours but is in fierce competition with ours.

Mr. Speaker, I think it is a national tragedy that we go into the taxpayers' pockets and take out $600 million to build a seaway—for what?—so that iron ore that belongs to Canada can be taken into the heart of industrial United States. Now, to make matters worse, we are again going to dip into the taxpayers' pockets. What for? Not to help Canadians but to supply the energy from the west so that the Americans can smelt that iron ore and our own Canadian boys and girls can go out on the sidewalk unemployed in the winter time looking for work while this minister and this Prime Minister (Mr. St. Laurent) who are supposed to look after the welfare of the Canadian people say to the local municipalities, "You look after our Canadians when they are sick or when they are unemployed". I think that is a disgrace and I am willing to fight the hon. member for Vancouver South (Mr. Philpott) if the Prime Minister will assure us of an election in our two ridings on that issue. I can assure him he is going to lose his shirt in that by-election.

Mr. Philpott: You have a strong urge for suicide.

Mr. Regier: I feel that the situation is a disgrace. We have hundreds of millions of dollars available for Texas multimillionaires. However, as to our arts council, we cannot afford it. Our arts are obliged to go to the liquor interests in order to survive or to live. There is no money for old age pensioners, for the Saskatchewan dam, or for family allowances. We cannot afford these things. As to health insurance, what do they bring forward? Just hospital insurance. That will not help me in British Columbia one whit. I already have what the Minister of National Health and Welfare (Mr. Martin) is going to offer. There is no money to develop the Atlantic provinces or no money for education. University fees must be raised. There is no money for the development of British Columbia, or no money to pay decent wages to civil servants. Yet there are hundreds of millions of dollars for foreigners at 3½ per cent. When Canadians build N.H.A. homes or when farmers or fishermen borrow government money the rate is 5 per cent. When Canadian business wants to expand and, through the industrial development bank, wishes to use government money, the rate is 6 per cent. But for these foreigners, on hundreds of millions of dollars with which to rob us of our natural resources, the rate is 3½ per cent. I think the deal is a bit too raw and I can easily understand why even such a man as the hon. member for Esquimalt-Saanich (Mr. Pearkes)—who usually speaks so slowly, sedately and wisely —showed such heat in his argument today. He is one of the most loyal citizens Canada has, but he is incensed to the core. Every good Canadian should be incensed to the core. Simply because the Liberal party has got itself into a muddle is no reason why they should take it out on the backs of the taxpayers. I have faith in the ability of the Canadian people—with their brains, brawn and the amount of money at their command—to develop our own resources when and where we need them, to develop our own country, to give employment to our own people, with proper regard for our heritage so that when we are gone from the scene our history books will not record a shameful incident of the giving away of one of our greatest natural resources to people outside of our own borders.

Mr. Deputy Speaker: I recognize the hon. member for Calgary South (Mr. Nickle).

Mr. Hees: Mr. Speaker, I am the next Conservative speaker on the list.

Mr. Hahn: On a question of privilege, Mr. Speaker—

Northern Ontario Pipe Line Corporation

Mr. Nickle: Mr. Speaker,—

Mr. Deputy Speaker: I understand that the hon. member for New Westminster is rising on a question of privilege.

Mr. Hahn: That is right, Mr. Speaker. The hon. member who just took his seat, namely the hon. member for Burnaby-Coquitlam (Mr. Regier), indicated that all the four Social Credit members of parliament from British Columbia, of whom I am one, have shown allegiance to the Manning government ahead of their allegiance to the Canadian people. My question of privilege is this. I owe my allegiance not to any particular government. I was elected by the electors and I realize my responsibility. I shall consider his remarks as being those of a man who is under the influence of a sense of egotistical emotionalism far out of proportion with his sense of reason.

Mr. Knowles: Is that a question of privilege or a speech?

Mr. Green: Mr. Speaker,—

Mr. Deputy Speaker: Order. Do I understand that the hon. member for Vancouver-Quadra (Mr. Green) is also raising a question of privilege?

Mr. Green: No, Mr. Speaker. I am raising a point of order. This question arose a day or two ago, and I should like to know why it is that our time that has been allotted to us is being curtailed. We have given Your Honour a list showing our next speaker. We have the position that two Conservatives are asking for the floor. I should just like to know from Your Honour whether this is a case in which Liberal time is being used up, as it was the other day, or whether it is the time of the Social Credit party which is being allotted to the next speaker, or just what the position is. We might as well get the matter straight now.

Mr. Deputy Speaker: May I refer the hon. member for Vancouver-Quadra and other hon. members to citation 214 in Beauchesne's third edition. This citation reads as follows:

> 214. The succession of speakers is left entirely to the Speaker. If his call is disputed by some member who thinks he rose before the Speaker's choice, a motion may be made under S.O. 35, that "he be now heard".

Standing order 35 is now standing order 29, I believe. Standing order 29 reads:

> When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place; but a motion may be made that any member who has risen "be now heard", or "do now speak", which motion shall be forthwith put without debate.

When the hon. member for Burnaby-Coquitlam (Mr. Regier) resumed his seat after making his address, three hon. members rose to their feet, the hon. member for Calgary South (Mr. Nickle), the hon. member for Broadview (Mr. Hees) and the hon. member for New Westminster (Mr. Hahn). The hon. member for Calgary South rose to his feet first; the hon. member for New Westminster was second and the hon. member for Broadview was third. I, therefore, in accordance with the rules gave the floor to the hon. member for Calgary South. I then learned that the hon. member for New Westminster wished to raise a question of privilege and I granted the floor to him for that purpose. I thereafter granted the floor to the hon. member for Vancouver-Quadra who rose on a point of order, and I have explained that. I am recognizing the hon. member for Calgary South unless the hon. member for Vancouver-Quadra wishes to make a motion under standing order 29 which I will, of course, allow.

Mr. Green: Your Honour knows as well as every member in the chamber—

Some hon. Members: Order.

Mr. Green: —that the time is allotted among the parties in this debate.

Mr. Deputy Speaker: I think I have dealt with the point of order sufficiently and either the hon. member must now make his motion or I must call on the hon. member for Calgary South.

Mr. Nicholson: In connection with this point of order, in view of the fact that a great many members have not yet had a chance to speak and the hon. member whom you are now recognizing has already spoken, it would appear to me—

Mr. Deputy Speaker: Order. I am quite certain I have heard sufficient to decide the point of order. The rule is quite clear. I am now waiting for a motion or if no motion is forthcoming then the hon. member for Calgary South may proceed.

Mr. Quelch: Perhaps I could help to clarify the situation. Normally, we would have had the next turn for a speaker but we agreed to give up our place to the hon. member for Calgary South.

Mr. Green: I rise on another point of order. The hon. member for Acadia (Mr. Quelch) has just taken the position that his party is entitled to put up one speaker for every speaker put up by the official opposition. Now, they have between one-third and one-quarter the number of members we have, and I should like to know from Your Honour whether or not that is the case. Is the Social

Credit party entitled to put up member for member with the Conservative party?

Mr. Deputy Speaker: I assure the hon. member for Vancouver-Quadra that I knew nothing of the question raised by the hon. member for Acadia. I also refer him to citation 214 in Beauchesne and some previous citations, I think 212 and 213, which are absolutely binding on this point. Now, we cannot have a discussion here of political parties and political parties' time. The matter is left entirely to the Speaker who must be in a position to recognize who rises first. There is another citation which says that it is desirable that the Speaker recognize first a pro and then a con and I think hon. members will agree the Chair attempts to do that.

Now, that is all I can say. The citations are clear and the rule is clear. Do I understand that the hon. member is advancing a motion or not? If not, the member for Calgary South.

Mr. Fulton: A one-man filibuster.

Mr. Carl O. Nickle (Calgary South): May I first of all express my thanks—

Mr. Deputy Speaker: Order. Did I understand the hon. member for Kamloops (Mr. Fulton) to interject, "A one-man filibuster"? May I ask if he was referring to the Chair?

Mr. Fulton: Far from it. I was referring to the hon. gentleman who now has the floor.

Mr. Nickle: I am not an expert in filibusters, but I must say a one-man filibuster could perhaps not be as effective as a 49-man filibuster.

Mr. Bell: We do not go behind the curtain for our filibusters.

Mr. Nickle: Nor will I.

Mr. Deputy Speaker: Order. The hon. member cannot be interrupted without his consent.

Mr. Nickle: I should like to express my thanks to the Social Credit group in this house for assisting me by giving me the opportunity to present my views to this house. I am going to discuss the one general subject, "fable versus fact". Before getting down to that subject I want to briefly reiterate something I said on an earlier occasion. I am supporting this government legislation not because it is the best solution to the problem but because the only other politically possible alternative to it would involve more long delays, higher costs, further denial of industrial and population growth, particularly in western Canada, and a far heavier burden upon the whole Canadian economy than the present plan.

Mr. Speaker, the need now for government assistance stems of course from political interference with the normal process of economic planning for gas transport and marketing systems, which would have involved a much more substantial degree of international routing of pipe lines and international interplay of markets served by those pipe lines. The best proof of this lies in a comparison or contrast between the development of oil pipe line marketing systems over the last few years—

Some hon. Members: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Nickle: Mr. Speaker, facing the realities of the situation as it now exists in Canada and the position of government and political parties that a northern Ontario route for the first gas pipe line east from Alberta has top priority, then the government's present proposal for assistance to Trans-Canada offers the fastest, lowest cost means of getting the project under way. I support it for that reason, and for that reason alone. Let me therefore very briefly outline the main arguments which have been used against the plan by its opponents in this house and among Canada's press. Because some of the same arguments come from various sources I will name no particular source, but merely try as best I can reasonably to answer the arguments.

The summary, sir, might well be called "fable versus facts". Some may disagree that what I call facts are such and argue also that what I may call fable is indeed fact. Whether they be members of this house or editors, I think Canada's public has every reason to expect some reasoned and accurate rebuttal from them on the specific points I will mention rather than vague generalities and loose charges and damnation of Americans, of which there has been so much.

The first fable, Mr. Speaker, that I should like to mention is the claim that Americans are going to get natural gas at bargain prices while Canadians will pay more. The facts, sir, are these. With load factors and the type of gas sale taken on the same basis as between Canadian and American customers of Trans-Canada, sales over the border will actually be at the same, or slightly higher, prices to the Americans than to Canadian customers in the same area. To be specific, Manitoba is the nearest Canadian market area to the point of export at Emerson. As to customers in Manitoba communities taking gas at 100 per cent load factor—by "100 per cent load factor" I simply mean taking gas at exactly the same maximum volume every

day of each year—under the existing contracts those customers big and small in Manitoba will for 25 years get a flat price of 26·2 cents per thousand cubic feet. The sale to Tennessee Gas Transmission Company at Emerson for resale in the United States at the same 100 per cent load factor involves an average price payable during the 25 years of that contract of 27·07 cents per thousand cubic feet if the volume of gas sold is 200 million feet a day; or would increase to 28·73 cents a thousand feet if the total volume exported were 400 million feet a day. This indicates, sir, a difference in favour of the Manitoba consumer at this particular load factor rate of at least one cent per thousand feet differential favouring the Canadian customers. I might say that the same approximate difference in favour of the Canadian customer in Manitoba carries through under the existing contract at any other load factor condition of sale you want to take into account. Later in my remarks I will place on the record the specific details of the various contracts entered into by Trans-Canada, both in Canada and with American customers.

Now, the other form of sale to the United States that is involved is the sale of excess gas; that is, gas that cannot be sold during the summer months to any Canadian customer in Ontario or Quebec. This is to be sold, if it is available, at Niagara to Tennessee for storage during the summer in Pennsylvania storage fields. This will be sold at a price comparable to the central Ontario prices for summer interruptible gas supply, which is now under contracts already entered into priced at 33 cents to 34 cents per thousand feet.

The next fable that I want to deal with, sir, is that the McMahon plan would involve the sale at Emerson to the United States at prices from 5 cents to 7 cents per thousand cubic feet higher than the prices under the present Tennessee plan. The facts are simply these. McMahon claims that he can get about 30 cents per thousand feet for up to 400 million cubic feet daily at a 90 per cent load factor for a 25-year period. This remains to be proved; for a vague offer is not a firm contract. Even, however, if his price could be validated by signed contracts it would be only one-quarter of one cent per thousand feet higher than Tennessee's average price under its firm contract, which would be on the basis of 90 per cent load factor 400 million feet a day sale, 29¾ cents per thousand feet under the price escalation contract covering the next 25-year period.

The third fable, sir, is that Trans-Canada would not be under Canadian control. The facts in answer to that are simply these. No matter who owns shares, any pipe line company in Canada is always under most adequate government control in our own country. At the producing end of the pipe line governments of producing provinces have complete authority over the volumes, prices, equitable market sharing among gas well owners, and so forth, related to gas supply for the pipe line system, whether that pipe line markets its gas in that producing province only, in Canada only, or internationally. Provincial authorities in the consuming provinces through such bodies as the Ontario fuel board, the Alberta public utilities board and similar organizations in other provinces, have full control over rates, charges to consumers by gas distributors, over the rates of earnings permitted distributors, thus providing strong provincial check-reins over gas transmission companies as well as contracts with the distributors in each of those provinces. The federal government has complete control over the transmission company no matter who owns it and regulates not only the rate of earnings that company can make—of course it does not guarantee the company against loss—but also has full control at all times over export or import permits, including the terms of volume and price involved in contracts for which export permits or import permits are required.

The fourth fable, sir, is that Canadians will not be given a chance to invest in a large way on fair terms in this proposed Trans-Canada pipe line. The facts again are simply these. When public financing becomes feasible, which it is not now, Canadians can buy at least 51 per cent of the total issued capital of Trans-Canada at comparable prices to the present cost of stock held by the current shareholders, but without taking the heavy risk which is now involved for the present shareholders of that company.

The fifth fable, sir, is that there is not even any assurance that Canadians will constitute a majority of the directors of the board of Trans-Canada. Trans-Canada, sir, is a special act company incorporated by an act of parliament and that act prescribes that the company is bound by section 155 of the revised Companies Act of 1934. That section, sir, reads as follows:

> No person shall be elected as a director unless he is a shareholder owning shares absolutely in his own right, and not in arrear in respect of any call thereon; and the majority of the directors of the company so chosen shall, at all times, be persons resident in Canada, and subjects of Her Majesty, by birth or naturalization.

Therefore, Trans-Canada, regardless again of who may have the majority of shares, must at all times comply with section 155 of Canada's own Companies Act and have a majority of its directors both residents of Canada and subjects of Her Majesty.

Now, I might say, sir, of the present board of Trans-Canada of some 17 men, 10 of them are Canadians. I think all 10 are men who will be regarded by most thinking Canadians as pretty solid citizens. I am going to mention their names and their locations because I think it would be most unfair to have these types of Canadians unfairly labelled, as the company has been, as being made up of "Texas buccaneers" or some other such thing.

The 10 Canadian directors of Trans-Canada are: N. E. Tanner, Calgary; Hon. Edouard Asselin, Montreal; E. W. Bickle, Toronto; M. A. MacPherson, Regina; J. K. McCausland, Toronto; H. R. Milner, Edmonton; A. D. Nesbitt, Montreal; G. P. Osler, Winnipeg; Jules R. Timmins, Montreal; and J. Ross Tolmie, Ottawa.

Mr. Speaker, the next fable is that the proposed federal-Ontario government northern Ontario Crown Pipeline, for lease under purchase option to Trans-Canada, is a subsidy or handout to the Trans-Canada shareholders.

I think the facts can be described in this way. Trans-Canada will gain a major deferment of carrying charges during the early tough years of market build-up in Ontario or Quebec, but these deferred charges become a first charge against profits of the over-all Trans-Canada system when it reaches a profit position. The actual net saving to Trans-Canada will be an average annual interest saving of about $1,250,000 for the years until the Crown Pipeline is purchased by Trans-Canada, at depreciated value plus 3½ per cent annual interest, plus depreciation.

Even this is not a handout to Trans-Canada shareholders, but rather a cost saving to Canadian gas consumers. The Northern Ontario bridge plan has been taken into account in recent reductions in sales contract prices to Canadian distributors. These price reductions, with Ontario the principal beneficiary, will amount to over $2,500,000 annual savings to Canadian consumers during the early years and progressively larger annual savings as consumption expands in eastern Ontario.

To give you a specific example of the type of savings which will result to eastern Canadian consumers specifically as a result of this bridge plan of government assistance, also aided by the proposed sale of gas at Emerson, Manitoba, I would like to quote the contract price proposed two years ago in the H. K. Ferguson (Shattuck) report to the board of transport commissioners in June 1954. At that stage, which was prior to the contemplation of any government assistance, the average weighted price for gas to be sold in the province of Ontario to all types of consumers was placed at 51½ cents per thousand cubic feet. As a result of various measures of export and government assistance the new contract prices in Ontario work out to an average weighted price of 46·6 cents per thousand cubic feet, a saving of 4·9 cents in the weighted average cost. This saving has made a world of difference in the extreme difficulty of distributors in competing with other fuels and their ability to successfully compete with natural gas at competitive prices. The same type of comparison could also be made for other provinces.

The next fable is that the proposed $75 to $80 million loan to Trans-Canada to cover 90 per cent of cost of the 1956 pipe line from Alberta to Winnipeg is a handout to the company or a subsidy. The fact, sir, is that this is a short term, 9-month loan at a full commercial interest rate of 5 per cent. Security for it is the pipe line itself which will cost $7 to $8 million more to build than the amount of the government loan, and will be worth an additional $7 million based on expected higher steel, freight and labour costs if construction is delayed beyond this year. The other assets of Trans-Canada, including rights of way, engineering, purchase and sales contracts, et cetera, which represent a multi-million dollar investment, are also security for the government. Should the government have to foreclose next spring owing to the inability of Trans-Canada to complete its quarter billion dollar financing program, the government will receive an operating pipe line and a start on an Alberta to Quebec pipe line system at a bargain price.

The next fable is that the government will make a handout of up to $200 million to Trans-Canada. The fact is, sir, that that argument is as phony as a $3 bill. First, no handout is involved at all. Second, the Winnipeg line loan would be fully repaid before Ottawa and Ontario start the northern Ontario pipe line section and the federal government's share of that would likely be under $100 million; thus there will not be more than $100 million of federal money involved at any time, and no part of that is a handout or subsidy.

The next fable is that somebody other than Trans-Canada could build a pipe line this year and the fact, sir, is that no private company, no matter who backs it, could be organized, get the necessary government permit, gas purchase and sales contracts, engineering, rights of way, finances or pipe in less than two years; nor could any crown company, even if the federal government was willing to commit itself to a capital expenditure of some $400 million. Nor could it be done if by some miracle, Quebec, Ontario, Manitoba, Saskatchewan or Alberta could be quickly persuaded to join in such a venture.

Northern Ontario Pipe Line Corporation

The next fable, sir, is that there is no urgency for a start on construction this year. The facts are that the governments of Alberta, Manitoba and Ontario and the government of Canada all say that a start is urgent. So, too, say the Alberta producers who have already made a tremendous $150 million investment and have been hog-tied mainly by politics for several years. Common sense also dictates urgency, for the costs of pipe, labour, and freight are going higher, reducing the economics of the project. Actual pipe line construction is needed to spur a United States decision in favour of gas import from Canada.

The final point indicating the urgency of a start is the long delayed development in the prairie provinces of a great by-products industry based on the by-products of gas, and the petrochemical plants, sulphur plants and other industries and the population boost in the west that will accompany these plants. All of these things are urgently needed in the west. The sooner dry gas can get into the market the sooner will the west have new plants of many kinds using the by-products of that gas, employing many thousands of Canadians and paving the way for a much broader and sounder economy in that part of Canada.

The next fable is that Trans-Canada would syphon off gas to the United States to the detriment of eastern Canadian consumers, and the government investment in the northern Ontario pipe line. The fact is that there are several reasons this could not possibly happen. First, the federal government has control over the volume and terms of export at all times. Second, the company will initially have about $175 million of private capital invested in the pipe line system east of Winnipeg, over and above the government investment in northern Ontario, and the huge private investment can only bring earnings if large volumes—as much as can be sold—are moved into eastern Canada through the system. The third reason is that the government-owned section leased to Trans-Canada involves as part of rental payments a first charge on profits of the entire Trans-Canada system. Thus any failure by the company to get maximum markets in eastern Canada by diverting gas south of the border from Manitoba would result in the Northern Ontario Pipe Line Crown Corporation draining off Trans-Canada's export profits as rental payments on the government "bridge" pipe line.

The fourth reason, sir, why we need not fear the draining off of gas to the United States is the vast size of the present shut-in gas reserves in Alberta and the huge rate at which this surplus is expanding. This dictates that every possible market within economic reach be served. Pressure of gas surplus alone guarantees that eastern Canada will never be denied all the gas it is willing to buy.

In some of the discussions in this house, Mr. Speaker, and in some Canadian newspapers I have noticed some strange contradictions in statements by these newspapers or by political party spokesmen. I should like to comment on a couple of these. First, there have been examples of parties or papers supporting the McMahon plan and at the same time arguing that the export of large volumes of gas to the mid-western United States would be damaging to Canada because United States industry would then get Canadian gas and hurt eastern Canadian industry. First of all, sir, the latter argument is fallacious. But even if it were valid those who support it could hardly in conscience urge that the McMahon plan be considered as an alternative to Trans-Canada, for McMahon proposes export to the United States midwest of 400 million cubic feet daily, double the volume for which Trans-Canada has gained a Canadian export permit.

The second strange contradiction is the support of the proposal made by the Northern Natural Gas Company last July by those who at the same time accept the policy that the first requisite for movement of gas east from Alberta must be a pipe line laid entirely over Canadian territory. Northern Natural Gas Company's plan, which was referred to in the debates on this present measure, is directly contradictory to Liberal, Conservative and socialist policy although much closer, I may say, to my personal views on the most economic planning. Northern proposed last July that a three-phase program be undertaken. The first point was an Alberta-Winnipeg-United States midwest pipe line to sell large volumes of gas in the American market through Northern and associated pipe lines in the midwest. The second was the movement of American gas into Ontario and Quebec through Windsor to build up markets in eastern Canada. The third was the building by Northern of a connection between Emerson, Manitoba, and Windsor, Ontario, over United States territory. Acceptance of this plan, therefore, would eliminate a pipe line through northern Ontario. How many members of the house, sir, of all parties would be prepared to back that plan in lieu of a pipe line across Canadian soil?

In the few moments remaining, Mr. Speaker, I should like to place on the record some of the exact terms of contracts entered into by Trans-Canada with gas distributors

in various parts of Canada and in the United States. I feel that placing these figures on the record may be of some value to all members of the house in their further deliberations on the matters now before us. First of all, sir, in connection with contracts with Canadian gas distribution companies, all contracts between these companies and Trans-Canada are for a 25-year period with prices for the full period of the contract to prevail at the current level without escalation. On the other hand, prices to the export customer, Tennessee, at Emerson increase one cent per thousand cubic feet every five years. That escalation, of course, will result in an increase in the differential between the price paid by the American company and that paid by the Canadian companies.

The distributors in each of the centres or zones which have been set up by Trans-Canada have a choice between four schedules of general service rates dependent, of course, upon the load factor each distributor believes he can achieve in the type of market he serves. A predominance of space heating market, that is, winter sales, would involve, of course, a low load factor. Year-round sales to industry and interruptible sales to industry during summer months make possible higher load factors and hence lower average cost of gas to the distributor. Load factors will, therefore, vary widely between markets of the various distributors in each rate zone across Canada. For example, the industrial market available in the Toronto area and adjoining communities will result in a much better load factor than will be possible in some of the smaller purely home heating markets to be served in some of the areas near Toronto. There will also, therefore, be a considerable difference between the average price paid in the city of Winnipeg, which has a fairly sizeable industrial market, and the average price paid by smaller communities in the same province, despite the fact that all of the customers in each of the six zones across Canada have exactly the same contract in terms of load factor. There is no special advantage to any one town, village or city over any other community in the same rate zone.

I am going to quote first of all the 100 per cent load factor prices for each of the six zones that have been set up across Canada. In the province of Saskatchewan any customer who can take gas at a 100 per cent load factor, the same amount of gas every day of the year, will get his gas for a price of 21·3 cents per thousand cubic feet. In Manitoba, covering all of that province served by the pipe line, the 100 per cent load factor price is 26·2 cents. In western Ontario, the area from the Manitoba border east to a point north of Nipigon, the 100 per cent load factor price is 34·5 cents. In northern Ontario, between Nipigon and Cobalt, the price is 43 cents. In central Ontario, from Cobalt to Whitby, and this area of course includes Toronto, the 100 per cent load factor price is 44·5 cents. Then we have the eastern zone which runs from Whitby, Ontario, through to Montreal where the 100 per cent load factor price is 46·6 cents.

Communities in each of these areas who can take gas at a 75 per cent load factor would have these prices: Saskatchewan, 22·4; Manitoba, 28·3; western Ontario, 37·7; northern Ontario, 47·5; central Ontario, 49·3, and the eastern zone to Montreal, 52·1. I will quote one other set of load factor prices. I might say that the detailed rate schedules are available if any hon. member would care to consult them. I will take one other set at a 50 per cent load factor for the six zones. These are the figures: Saskatchewan, 26·6 cents; Manitoba, 35 cents; western Ontario, 46·5 cents; northern Ontario, 59 cents; central Ontario, 61·4 cents and the eastern zone, 65·7 cents.

As would apply to other firms, these goods and services would be available during the summer months. The pipe line would still have to pay its carrying charges and so on and therefore it is ready to sell to distributors for resale to Canadian industry surplus gas that cannot be absorbed in these markets in any other way. That dump gas will be sold at fairly low prices, of course to the benefit of industries which are prepared to use the gas on an interruptible basis. I should like to give a few of these figures.

In Saskatchewan, excess gas will be available during the summer months at a price of 21 to 22 cents per thousand feet. In Manitoba excess gas will be available in the summer months at 23 to 24 cents per thousand feet. In western Ontario the price will be 28 to 29 cents per thousand feet. In nothern Ontario the price will be 32 cents per thousand feet. In central Ontario, including Toronto, the price will be 33 to 34 cents. In the eastern zone to Montreal the price will be 33 to 34 cents.

To be more specific, what will be the price to individual communities under these contracts? Of course the load factors are the all-important thing. Winnipeg has signed a contract on a take-or-pay basis for a minimum 60 per cent load factor. At that particular load factor the Winnipeg fuel cost will be 32·9 cents per thousand feet. As the load factor mounts the price of course will go down. At a 75 per cent load factor the price would be down to 28·3 cents. If they got

up to a 100 per cent load factor Winnipeg would pay only 26·2 cents. Winnipeg will also have gas available during the summer months, seasonal off-peak gas, at 25 cents per thousand feet and excess gas on an interruptible basis at 23 cents.

Toronto has signed a contract for a minimum 75 per cent load factor. Toronto's price at that load factor will be 49·3 cents at the city's gates. Toronto will have gas available during the summer months at a seasonal off-peak price of 35 cents, and also can get excess gas on an interruptible basis at 33 cents.

Montreal expects to use gas at a minimum load factor of 75 per cent, and with that load factor the price will be 52·1 cents per thousand feet at Montreal's gates. Montreal will also have seasonal off-peak gas available during the summer months at 35 cents, and excess gas on a completely interruptible basis at 33 cents.

As to the terms of export sales, the contract with Midwestern Gas and Transmission, a subsidiary of Tennessee Gas and Transmission, is in two sections. Contract No. 1 is a high load factor, firm sale, take-or-pay contract for 200 million cubic feet of gas per day over a 25-year period. During the first three years only gas may be accepted by this company at the United States border at a 75 per cent load factor, with a price payable of 27·27 cents per m.c.f. During the balance of the contract, that is the remaining 22 years, only 95 per cent and 100 per cent load factors apply. I may say that with the higher load factor on a take-or-pay basis this importer of gas from Canada, like all Canadian distributors, will have to take or pay if it is unable to actually sell the volume of gas for which it has contracted. A heavy penalty is involved if they fail to meet the minimum take-or-pay commitments involved in the contract, which makes all the more important the very high load factor of 95 per cent which Tennessee's subsidiary has entered into with Trans-Canada.

At 100 per cent load factor, in other words the actual use of 200 million cubic feet per day, day in and day out, year after year for 25 years, the price paid by Tennessee's subsidiary would be 27·27 cents. During the first five years the price on a 100 per cent load factor basis paid by the buyer would be 25·08 cents; at a 95 per cent load factor the price would be 25·42 cents. For each of the remaining years the contract price increases one cent per thousand each five years in each category.

When and if Canada and the United States agree to increasing the volume of sales to the United States and when and if the United States can absorb an amount beyond 200 million feet a day the second contract between Tennessee and Trans-Canada would come into effect. That contract, unlike the offer reported to be made by McMahon and associates, provides for the initial price under the new contract for the second 200 million feet per day to be immediately increased by three cents per thousand cubic feet. The result would be that for the second 200 million cubic feet per day Tennessee could import gas on a 100 per cent load factor at an average price of 30·4 cents. During the first three years of that contract Tennessee is required to take or pay on the basis of a minimum 75 per cent load factor. The price for the first three years with that load factor would be 31·05 cents per thousand cubic feet. During the first five years at 100 per cent load factor the price would be 28·04 cents. At 95 per cent load factor, which is the minimum take-or-pay provision, the price would be 28·52 cents. Those figures increase one cent per thousand feet for each five-year period thereafter.

There are additional special contracts, one of which covers the southwestern Ontario area from Hamilton through to the Sarnia and Windsor areas. This area is served by the Union Gas Company. Union Gas has an advantage over any other distributor in eastern Canada in that it has gas storage fields available in the area of the market which it serves. As a result Union Gas Company is going to take its gas from Trans-Canada mostly during the summer period when it is available at the excess gas price. They will take two-thirds of their gas during the summer months, put it in storage in these fields, then during the winter put it back into its pipe line and serve the area it covers. The other one-third of Union Gas Company's purchases will be delivered to it during the winter months near Hamilton and will be used in that community. As a result of having those special facilities in the way of storage fields Union Gas Company will pay an average price during its 25-year contract of 39 cents a thousand.

I might say at this time that the suggestion has been made that the storage fields in southwestern Ontario should be put to use in order to make gas available from them to such places as Toronto and Montreal. Unfortunately those storage fields are located some 170 miles south or southwest of Toronto and are—

Mr. Speaker: I am sorry, the hon. member's time has expired, unless he has unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. George H. Hees (Broadview): Mr. Speaker, it is rather obvious that this legislation was conceived in the era of giant give-away programs. We have the $64,000 question and the $100,000 question on television, where individuals may win fantastic amounts of money by answering correctly certain questions. Obviously this government decided that it would go in for a bigger and better give-away program than had ever been conceived. It decided that not only would the prize be much bigger, but the question would be much easier.

These are the questions you must answer to qualify. First: Are you a corporation which is predominantly owned by foreign interests? If you can answer "Yes" to that question, the second question is: Have you defaulted on your undertaking which was the basis for your being awarded a government franchise? If you have answered those two questions correctly, this government will do almost anything to bail you out of any financial difficulty you might run into, or build your whole project for you.

However, if you happen to be a Canadian province, for example Saskatchewan, and apply to the federal government for assistance to build a dam which will irrigate half a million acres of farm land, and provide you with enough hydroelectric power to industrialize your province and increase the standard of living of your people, then you know of course that you are going to be turned down flat.

Or if you happen to be another Canadian provincial government—for instance the government of New Brunswick—and you happen to be applying to this government for federal backing for your power development bonds which, if granted, will not cost the federal taxpayer or the federal government one penny, but will simply make it possible for you to borrow the money you need to build your project at a great deal lower rate of interest, and thus save your taxpayers millions of dollars a year, then, Mr. Speaker, of course you know that once again you are out of luck, and that you can count on being turned down flat.

It has become fairly obvious, Mr. Speaker, that if you want to get anywhere with this government, you must first of all be a foreign-owned corporation and, second, have the Minister of Trade and Commerce (Mr. Howe) wrapped around your little finger. If you happen to qualify on both those scores, then you know that the sky is the limit and that there is absolutely nothing that this government will not do for you.

Let us have a look at this legislation, Mr. Speaker, and see what it will do. First of all, it will provide 90 per cent of the capital to build the first third of the line. Then it will provide 100 per cent of the capital to build the second third of the line. So, by simple arithmetic, we find that this government is providing 95 per cent of the capital to build this whole line.

Up until a year ago, this chosen instrument of the government, this Trans-Canada Pipe Lines Limited, professed over and over again its ability and intention to build the whole line unassisted by the government. Then suddenly, a year ago, the company came to the Minister of Trade and Commerce, cried on his shoulder, and professed inability to finance construction. Of course, without question,—it being his chosen instrument—the Minister of Trade and Commerce did exactly what the company wanted him to do. He believed everything they said; did not question them in any way; and agreed to build the northern Ontario section of the line for the company. He did it, of course, with the money provided by the taxpayers of Canada.

Then, spurred on by that initial success, a little while ago Trans-Canada Pipe Lines Limited again came to the minister; again cried on his shoulder and said, "We cannot finance the building of the prairie section of the line". Once again the minister listened to everything they said; believed it without question—because, after all, it is his chosen instrument, it is his baby; the company cannot do anything wrong in the eyes of the minister—and agreed to give them everything they asked for. He agreed to put up 90 per cent of the cost of building even the easiest section of the line.

The worrying part about this matter,—bad though it is so far—is that there is no doubt about it that when this line reaches Kapuskasing, Trans-Canada Pipe Lines Limited may be counted on once again—spurred on by those two initial successes; after all, it has been so easy, why not try it again?—to come to the minister and cry on his shoulder a third time; and as he did without question on the first two occasions, he will say, "Certainly; if you want it, I will finance the construction of the remainder of the line". Hence we shall see this whole line built by the government.

The Minister of Agriculture (Mr. Gardiner) made an amusing statement this morning. He said that the Conservative party objected to United States capital coming into Canada to build this pipe line. Mr. Speaker, we do not object to United States capital coming into Canada to build this line. We object to the fact that there is no United States capital coming in to build this line. We object to the fact that the capital is to be provided just about 100 per cent by the Canadian taxpayers,

while the wealthy United States interests that control and own this pipe line will be free to reap all of the profits from it. That is what we object to. We should like to see United States capital come in, but we object to seeing the whole line being built by the Canadian taxpayers and all the rewards and profits being reaped by the United States interests that own and control this company.

What is the reaction of the people of Canada, Mr. Speaker, to the expenditure of public funds in order to enable United States interests to take over the transportation and marketing of a large proportion of one of our vitally important natural resources? The answer to that question was given by a nation-wide Gallup poll which reported as follows on May 2 last. I quote from the official report of the Gallup poll:

45 per cent of the people of Canada favour a pipe line built and run by private Canadian investments.

29 per cent favour a line built, financed and administered by the government.

17 per cent favour a line built partly by the government and partly by private investments from Canada and the United States.

8 per cent had no opinion.

One per cent gave various and sundry other answers.

Of the 17 per cent who favoured a line built partly by government and partly by private interests, more than half opposed this proposal if it meant the possibility of American control.

It is therefore clear that, because Trans-Canada Pipe Lines Limited is owned and controlled 83·4 per cent by foreign interests, only 8 per cent of the people of Canada are in favour of the present government plan for building this line. That leads us to the logical question: Why should a policy that is favoured by less than one out of every twelve Canadians be thrust down the throats of the Canadian people? It is simply because one man, namely the Minister of Trade and Commerce, is determined to have his way. This is the same man, the same minister, who a year ago was determined that parliament should grant him unlimited and unchecked power. That power was denied him for one reason and one reason only. That reason was that the Conservative party was determined that no minister and no government should be granted power of that kind. Today, Mr. Speaker, the Conservative party is just as determined that this minister and this government shall not impose their will on the overwhelming majority of Canadians who oppose this legislation.

The attitude of the minister, and the arrogant, bungling and bulldozing methods of this government, were described about as well as I have ever heard them described, in Ottawa a week ago today at a luncheon given by the Canadian Club which was addressed by a distinguished Canadian journalist, Mr. Max Freedman. Mr. Freedman, whose sentiments are clearly Liberal, and who has had ample opportunity to observe the operations of this government while working for the Winnipeg *Free Press* here in Ottawa, and the Manchester *Guardian* in Washington, describes this government's approach to matters of policy in the following words: "They are often in error but never in doubt". I think those words describe the attitude of this government just about as well as I have ever heard it described.

Mr. Dickey: The Tories are always in doubt and always in error.

Mr. Hees: Before I was so rudely interrupted, Mr. Speaker, I was just going to say that I feel that Mr. Freedman, who is usually right, is slightly in error in this case, because in this case I think it has become fairly obvious that the government, besides being in error, is also in doubt. If it was not in doubt, the Prime Minister (Mr. St. Laurent) would have had the courage, on behalf of the government, to stand up and accept the challenge thrown at him by the Leader of the Opposition (Mr. Drew) to take this matter to the people. Of course, he would not do it because he and the members of his government, as well as the members of his party, know quite well they would get the pants beaten off them. They know quite well there would not be one in three of them who would come back. They know that not only the newspapers of the country, but the people as well, are against the project. The gallup poll, which gives us a most accurate guide to the opinions of the people, has demonstrated that less than one in twelve of the people in Canada are in favour of this proposal.

Up to the present time, there are a number of aspects of this extraordinary proposal that have remained a mystery. One of them is the result of the fact that there has never been any attempt made by either Trans-Canada Pipe Lines Limited, or the Minister of Trade and Commerce (Mr. Howe) to explain why, after claiming for four years and getting their franchise on the basis of being willing and able to build the whole line without government assistance, suddenly the Trans-Canada company comes to the government and claims it cannot build two out of three sections of the line, and the government has to bail them out. Last fall, as I said, the minister simply made an announcement, without any explanation, and we are still waiting for it from him, from the Prime Minister or the company, that this line would be built across northern

Ontario by the government. A short time ago, it was announced here in this house that the government proposed advancing 90 per cent of the capital needed to build the prairie section of the line, which is by far the easiest section to build.

Mr. Speaker, to be a shareholder in a corporation which is financed by the government, and is free to make unlimited profits after the work has been done for the corporation by the government is nothing short of an investor's paradise. This government is making such a paradise out of a company, not a Canadian company, which is owned and dominated to the extent of 83·4 per cent by wealthy United States financial interests. The only possible explanation is that somehow or other the Minister of Trade and Commerce has become mystified and is under the domination of the wealthy United States interests who control Trans-Canada. When they snap their fingers, the Minister of Trade and Commerce jumps to do their bidding. What we on this side of the house object to is that he is using the money of the taxpayers of Canada to do their bidding.

Now, how did all this take place? The Minister of Trade and Commerce refuses to tell us any of the secrets that are kept hidden in his breast pocket, so we have to speculate upon what happened.

Mr. Dickey: You have not done anything but speculate since you got on your feet.

Mr. Hees: It is rather obvious, Mr. Speaker, that the wealthy interests controlling Trans-Canada simply got together and said, "Let us see if we can get old C.D. to build the northern Ontario section". You can just see the boys sitting around the room, cutting up a melon in advance. The question would come up, how do you think we can get good old C. D. to build that northern Ontario section? Most of the financial interests would say, No, I do not think we can because after all, it is quite obvious this is a money-making proposition. We got the franchise on the basis that we will build the whole line, and C. D. knows that this is a plum; there is a lot of money to be made out of it. We have finances to put up to do the job. One of them, probably the largest shareholder, got on the telephone—that would be Mr. Murchison—and sold the minister a bill of goods to the effect that the company could not build the northern Ontario section. The minister said, certainly, I do not want you to be unhappy about this; we want you to make a nice thing out of it, and we want to keep everybody happy, so we will build the northern Ontario section.

The same thing happened with regard to the prairie section. There has been no explanation as to why the government has had to put up 90 per cent of the financing—

Mr. Richardson: May I ask the hon. gentleman a question? Is he now relating facts from his own knowledge or from his imagination?

Mr. Hees: If the hon. member had been paying attention, I said we have for a long time been trying to get some information from the minister as to why these two sections are being built by the government, instead of by the company which holds the franchise. They received the franchise on the basis they would build the whole line unassisted. I submit if he had been listening he would have heard me say that, because the minister will not let us in on these mysterious conversations he has had, we have to try to speculate on them for ourselves, and that is exactly what I am doing at the present time.

Mr. Dickey: You are one of Canada's foremost novelists at the moment.

Mr. Hees: Another thing that remains a mystery is the conversations and dealings between the minister and Mr. Frank McMahon. After an interview with the Minister on March 27, Mr. McMahon submitted very detailed proposals to the government in a letter dated April 4. He made the following very definite and positive proposals:

> I am prepared to undertake a Canadian-owned, privately financed project to construct an economically feasible gas pipe line from Alberta to Montreal if Trans-Canada is not immediately able to present a suitable proposal.
>
> This line can be operated on a sound business basis without government financing or debt guarantee, but requires only remission or deferment of import duties and sales taxes.
>
> I will personally post with the government $500,000 performance cash to complete the project by 1958, subject only to being able to obtain necessary materials.
>
> The project will be Canadian controlled with not less than 70 per cent of the equity owned by Canadian companies and individuals.
>
> I am further prepared to arrange interim financing to permit starting construction this year of a 34-inch pipe line from the nearest Alberta gas fields to Winnipeg to supply Saskatchewan and Manitoba by late 1956 or early 1957.

An hon. Member: Where would he get the pipe?

Mr. Hees: If the hon. member who asked, "Where would he get the pipe?" had read the full submission of Mr. McMahon, he would know that Mr. McMahon set out in detail where he would get his pipe. He had enough pipe lined up to build the line as far as Winnipeg, and he had no doubt he would be able to get sufficient pipe after that to complete the line.

Northern Ontario Pipe Line Corporation

Mr. Macdonnell: And he has a record of performance, not of failure.

Mr. Hees: He happens to be the only man in Canada who has financed and built a successful pipe line. The minister used the "private and confidential" which was placed on this letter and two subsequent letters of April 16 and April 24, as justification for doing what I consider to be a preposterous thing, standing up in this house and denying he had ever received any communications from Mr. McMahon.

Mr. Howe (Port Arthur): We might as well be accurate. I never said that. I said I had never received a proposal from Mr. McMahon.

Mr. Hees: Well, when I say he had received a communication I was referring to the proposal with regard to this pipe line. What the minister should have done—and he knows he should have done it—was immediately to get permission from Mr. McMahon to remove the "private and confidential" designation, and immediately submit that proposal or those proposals to his cabinet colleagues and to parliament as a comparison with the present extraordinary proposal being put forward by this government for having the line built.

Mr. Dickey: Do you support the McMahon proposals?

Mr. Hees: The McMahon proposal looks like an excellent one. Yes, I certainly do. I think it is obvious that the minister had no desire to see any other proposal put up against the proposal of his own chosen instrument, Trans-Canada Pipe Lines Limited, and particularly a proposal of this kind which offers to build a line without government capital or debt guarantee.

If the minister did not think this was a good proposal, then why did he not bring it before parliament and explain to parliament that he had received this proposition, and why it could not be accepted and why it is not a good proposition and proceed in a straightforward, open-handed way, instead of this cloak and dagger treatment that we have seen. The Prime Minister was not even told that this proposition had come forward. That is not a straightforward way of dealing either with your cabinet colleagues or with parliament. If there was nothing to hide in this matter, why did the minister not bring it forward and let parliament know what was going on? There is no answer, of course, except that the minister did not want to. He was determined that his proposition, put up by his own chosen instrument, Trans-Canada Pipe Lines Limited, should be the only one that would be accepted.

In his telegram to the minister immediately following a mysterious telephone conversation with the minister, Mr. McMahon said that he did not wish to be considered as being any more interested in building the pipe line from Alberta to Montreal because, as he said, he found now that he was far too busily committed with his Westcoast Transmission line. That, of course, is an explanation that no sensible person can accept, because anybody familiar with this situation knows perfectly well that Mr. McMahon is the kind of person who delights in being busy.

Mr. McMahon is not the kind of man to go to the time and trouble of working out the details, arranging and lining up the financing, of a proposition as big as this, and then all of a sudden back away because he is too busy. When he made his original proposition he knew perfectly well how much time he was going to have to devote to the Westcoast project. No, there is no doubt about the fact that there was a great deal of pressure brought to bear on Mr. McMahon by this government to withdraw his proposition so that they would not be embarrassed any further by a proposition which was one that certainly should have been considered by the government. As yet, there has been no explanation as to why it was not so considered.

Now, what about the provinces that are not going to benefit from the expenditure of public funds to build this pipe line? These provinces have a perfect right to demand the same kind of consideration that the five provinces that are going to benefit from the building of the line are getting, in developing power within their own borders, which they need just as much as do the five provinces that are going to benefit from receiving this natural gas. I ask the minister, I ask this government, what about their attitude toward helping the province of British Columbia with developing power on the Columbia and the Fraser rivers? What about the developing of power on the Saint John river and in the Passamaquoddy bay in New Brunswick; or, in Nova Scotia, by developing electric power by new and cheaper methods from coal; or in helping the province of Newfoundland develop power from the Hamilton river? Mr. Speaker, these are great potential developments that are simply waiting for assistance from the government; developments that cannot be proceeded with without assistance from the federal government because those provinces do not have the financial resources to proceed alone with developments of this magnitude.

If this government can hand out $100 million, $150 million, $200 million, $300 million or maybe $375 million before it is through, in

helping a corporation which is 83·4 per cent owned by American financial interests, then it can certainly provide the very modest financial assistance which has been asked for by Canadian provincial governments to help them develop power and other natural resources within their borders, which will materially increase and improve the standard of living of their people.

In conclusion, Mr. Speaker, I say this. Let this government stop using the taxpayers' money in bailing out the shareholders of American corporations which have defaulted on their undertakings, and support financially the development of Canada by Canadians for the benefit of Canadians.

Mr. G. D. Weaver (Churchill): Mr. Speaker, the hon. member for Broadview, who has just taken his seat, mentioned in one of his remarks a challenge that had been issued to the government to call an election. This is the most empty challenge that I have ever heard, and I shall tell you why. All hon. members know that if an election were called today it could not be held until long past the date when it is necessary to get this pipe line under construction, and no sensible government could possibly do that. I said it was an empty challenge because the Tories have no policy on which to go to the people.

Mr. Montgomery: So say you.

Mr. Weaver: And you will hear more on this pipe line question. The hon. member for Calgary South (Mr. Nickle) has taken the only realistic stand on the Tory side of the house in this debate. As far as the Socialist party goes, they also issued a challenge, but they know what would happen. They have fought election after election in Canada on the policy of socialism and they have been defeated many times.

This is the first time in this parliament that we have heard the Tories throw out the challenge of an election. They have been very careful not to because no one wants an election less than they do at the present time.

Mr. Cardiff: Speak for yourself.

Mr. Montgomery: Why do you not call one, then?

Mr. Weaver: And even when they did throw it out this morning they were so fearful that there might be some possible way that it could be accepted that they waited until the C.C.F. had already issued the challenge.

Mr. Montgomery: Go ahead and call one.

Mr. Weaver: In the very interesting debate that took place on the resolution there were 26 speakers. The first day, of course, was taken up by the Minister of Trade and Commerce (Mr. Howe), the Leader of the Opposition (Mr. Drew) and the leader of the C.C.F. party (Mr. Coldwell). The next day, the day on which so much was said about closure, there were 23 speakers. Not since I have been here have so many speakers taken part in a debate in a single day. It was a very interesting debate; it was a debate in the proper sense. The issues were clearly defined. In the years since I have been here the Liberal majority, as is usual, has been large and we had either to spend a year around here or we had to restrain ourselves because there was no restraining either of the opposition parties. As an example of that, about four sessions ago the hon. member for Winnipeg North Centre (Mr. Knowles) did a great deal of speaking and I took *Hansard* for that session and I counted the lines in it, and I calculated that if every one of the 265 members in this chamber had taken the time of the house that the hon. member for Winnipeg North Centre took, it would take us three years to finish one ordinary session. The opposition have been talking about closure. Without closure there would be no bill passed in time to get construction of this line under way this year, and all hon. members know that.

An hon. Member: Why did you not bring in the resolution in January?

Mr. Weaver: There would be no gas in Winnipeg this year. The government would have been frustrated within the rules of this house had closure not been adopted. I am satisfied the vast majority of Canadians—and I mean Canadians who support all parties, not just those who support the Liberal party—feel that when a government is elected its job is to govern. If a government does not govern then it does not have a right to the confidence of the people. In this particular case the government is only doing its job; it is governing.

When government speakers mentioned that the United Kingdom use closure on many occasions the opposition interjected that it was closure by agreement. The opposition knows that if they had desired it there could have been closure by agreement on this issue; a time table could have been drawn up which would have permitted the bill to pass in time for construction to begin on schedule but the opposition turned down what they profess to call closure by agreement.

In speaking further about the necessity of having a fixed schedule for this debate, I would like to point out that the date has been fixed not by individuals or the government but by the cold hard facts of Canadian

weather. This is something which must be considered in Canada to a greater extent than in any other country. Our construction season is short. In the case of a pipe line it has to be buried in the ground. All hon. members know that our ground is frozen for many months of the year.

An hon. Member: So is the government.

Mr. Hosking: Particularly in Manitoba.

Mr. Weaver: But come July 1 and you will see the pipe line being constructed.

The hon. member for Esquimalt-Saanich (Mr. Pearkes) this morning with great indignation decried the name Trans-Canada saying that the pipe line did not extend into British Columbia. He neglected to point out that British Columbia is already served by Alberta gas and has a gas pipe line. The hon. member went on to ask why his part of the country should pay anything toward this trans-Canada pipe line. The answer is that they will not pay anything. This is not a gift, it is an investment. There is nothing in our estimates having to do with this. This is an investment by the people of Canada. As is the case with all investments, certainly there is a risk involved. I do not believe for a moment that it will happen, but if we ever have to pay anything as a result of taking this risk, since it is a risk for the good of all Canada it is only right that all Canada should share in it.

Mr. McCullough (Moose Mountain): Who said it is for the good of all Canada?

Mr. Weaver: You will find out a little later on. Mr. Speaker, I fully accept the responsibility in this instance as well. Last spring there were many rumours about where this pipe line might go. There was one rumour to the effect that the pipe line would go east to Winnipeg then south to the border, delivering gas to the western United States. It was rumoured that at some time in the future a line would extend across northern Ontario if markets were built up. In the meantime there would be a line travelling south of the great lakes which would carry the Alberta gas. True, it was just a rumour, but rumours can be disturbing.

On more than one occasion I mentioned to various hon. members of this house that this would be a shameful and terrible thing to happen, because if the pipe line followed that course we might never have an opportunity of bringing the pipe line north of the great lakes to more fully unite this country. I said to more than one hon. member that any government which could not take the responsibility of seeing that this was done could not have my full confidence. I was very pleased when I heard of the arrangement whereby the line would go across Canada north of the great lakes, and in this issue the government has the fullest support I can possibly give it.

Another reason for my astonishment at the remarks of the hon. member for Esquimalt-Saanich this morning is this. When the Canadian Pacific Railway was built across western Canada, no one in the Canadian west objected to the great land grants which were given to the railway to enable it to reach British Columbia. At that time our fathers saw no benefit which would come to us. It was many years later when we on the prairies realized the value of Vancouver as a great grain port. I want it to be plain, Mr. Speaker, that we in the west expect to see the Canadian Pacific Railway agreements lived up to.

One last thought in connection with the speech of the hon. member for Esquimalt-Saanich. If it were true, as he claims, that Trans-Canada has with malice aforethought cornered the only available pipe, then the government by this bill is taking the one action that could smoke the pipe out from its storage hole south of the border and bury it on the western prairies for our benefit. However, I do not accept the truth of the hon. member's proposition.

The name of Sir John A. Macdonald has been invoked several times during the course of this debate, and rightly so. I believe that practically all Canadians are prepared to pay tribute to him for the part he played in the political history of this nation. He saw what had to be done and he was responsible for doing it in order to further the building of this young nation which at that time was at a much earlier stage of development. I feel he would be one of the first to disown the antics that were engaged in earlier in this debate by those who now bear the party name he bore.

Sir John A. Macdonald undertook to see that the Canadian Pacific Railway was built across our country, linking the then relatively thickly populated areas of the St. Lawrence valley and the Niagara peninsula with the Canadian prairies and the west coast, thus providing a transportation artery to nourish a young nation. I want to say one thing very emphatically, because it may surprise some people. Deep down the west is grateful for the assistance it has received from the east in its development.

Mr. McCullough (Moose Mountain): Deep down where?

Mr. Weaver: It would have liked this assistance to be greater than it has been, but without that assistance the west would not have reached the point it has now reached. In a similar way all Canada is grateful for the

assistance it has received both from Great Britain and the United States toward the development of the whole nation. Now the time has come when the west is in the position through its resources to repay some of the assistance it has received from eastern Canada.

Gas is power and gas in a pipe line is flexible power, and the power that will be spread from the Alberta gas fields right across the country as far east as Montreal will be equal to the power of nine Niagaras. I may say that a portion of the power of those nine Niagaras will go south into the western United States.

Power is the foundation of industry. Power is the foundation of man's rise from aboriginal life to life in the twentieth century. Power is the foundation of that ever-rising standard of living to which every party in this house subscribes. This particular reservoir of power has been stored in the ground in western Canada for millions and millions of years waiting for our discovery and our use in the mid-twentieth century.

When I say for our use I include the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The fact that the line as envisaged reaches only as far east as Montreal does not mean that the Atlantic provinces will not benefit in some form. It will be all Canada's duty to see that the Atlantic provinces do receive adequate benefits from the construction of this line, even though those benefits may be indirect.

Mr. Brooks: Is that a promise by the government?

Mr. Weaver: I said it is up to us. When I say it is up to us I mean the Conservatives in this house, I mean the C.C.F.'s in this house, I mean the Social Crediters in this house, as well as the Liberals in this house.

Mr. Brooks: It has been up to the government for 20 years and they have done nothing.

Mr. Weaver: Three years ago this house passed a bill to incorporate a company known as Niagara Gas Transmission Limited. Hon. members will perhaps recall that that bill had a stormy passage. It was eventually arranged that Trans-Canada Pipe Lines would build a pipe line from Niagara to Toronto, importing gas from the United States which would temporarily relieve a gas shortage in eastern Canada and serve to build up eastern markets for western gas. This was a temporary alleviation of the power requirements of Ontario and Quebec. I want to emphasize that it was only temporary because, power being the vital key that it is, no thinking person can rely on having this power permanently delivered from another country.

Mr. Frost realizes that this is only temporary, but the Conservative party under the leadership of the present Leader of the Opposition ignores this temporary feature. Eastern Canada can wait for one, two, three or perhaps four years for western gas without being hurt, but let us look at the position of western Canada. A large percentage of this gas is being burned daily because of a lack of markets. There is no pipe line to carry it away. This is a waste of a precious asset, and every day it continues to go to waste is an unhappy day in Canada's history.

Over and above the amount which is being wasted is the development which is being held up by the lack of markets, and this is tremendous. Southern Saskatchewan is hungry for power, and there is no pipe line to bring temporary power from the United States to southern Saskatchewan. In Winnipeg a Winnipeg gas company has already gone to great lengths in preparing for the arrival of this gas. That city is hungry for this power, and there is no pipe line built so the city of Winnipeg can get temporary gas.

This applies in a greater degree to that wasp waist of Canada north of the great lakes where they are less favoured as regards power than are other parts of Canada. They have all kinds of resources there in the pre-Cambrian shield, but they have not the power with which to develop those resources. At the present time there is no pipe line to bring them gas temporarily from the United States and thus serve those communities. Yet the official opposition in this house will smugly say that western Canada can wait. Is it any wonder that holding such views that party has reached the present low ebb?

The hon. member for Winnipeg South Centre (Mr. Churchill) referred yesterday to the pipe line which was originally proposed to carry gas from the Alberta fields to Winnipeg and then south to the border, and which was later united with the first Trans-Canada gas company. He did not mention that this line was to be constructed of small diameter pipe. In other words he was expressing the western Canada Tory view, "We will look after western Canada and let the devil take Ontario." The official opposition representing Ontario in this house are saying, "We are all right, let the devil take western Canada."

Mr. McCullough (Moose Mountain): The Liberal government let the devil take everything.

Mr. Weaver: You may think so and that is your privilege, but I am proud to be associated with the Ontario Liberals on this issue because they, together with their Quebec compatriots, are looking beyond their own doorsteps and recognizing that their welfare

is best served by serving the welfare of all Canada. I am afraid I must admit that after sitting in this house for the past several years I am not surprised at this Conservative viewpoint, because they have demonstrated time and time again that they have no understanding of our western problems. They have never demonstrated it more convincingly than on this occasion, when they have dragged their loyal western supporters into such an indefensible position.

The hon. member for Calgary South (Mr. Nickle) is the only one who has taken what could be described as a normal Conservative position on this issue. In the final analysis there is only one issue: Is the pipe line to be built by private enterprise, or are we to rely entirely on public ownership? This is a time when the Tories should be saying, "Me too," and saying it honestly. The Canadian people would have given them full marks for saying it.

In his speech on the resolution the hon. member for Calgary South stated most emphatically that he was out and out for private enterprise based wholly on economics, without allowing any margin for national considerations which might arise because of the economics of the bridging time necessary to build up eastern markets until the line across north of the lakes could be completed. He was always for exporting as much gas as possible to the western United States. Fortunately our nation was not built on that philosophy. However, the hon. member has always been consistent. He knows and he has stated that delay at this time would cost far more than the cost of the northern Ontario section. This in itself indicates the measly cost of this northern Ontario section when placed against the value to the nation of the whole project.

Canada is developing at a more rapid rate than any 15 million people have ever developed in all history. They will need this power which is stored beneath the western prairies for their continued development. I do not say they should not export any of it to the United States, but I do say they should be cautious and examine carefully any export of something so vital to their future. Canada has demonstrated before that she recognizes obligations beyond her boundaries and that 15 million people cannot sit on treasures of the magnitude of our Canadian treasures with a dog in the manger attitude, but we must scrutinize carefully the export of power.

This attitude has always been taken by all governments in this country, and it has been taken also by the United States. That is the reason so much time is being taken in scrutinizing the power question by the United States federal power commission, which has delayed this project up to the present time.

Last night the Minister of Agriculture (Mr. Gardiner) gave some figures on gas—this was for the benefit of the C.C.F. party—and power in cities in Saskatchewan. I do not have time to go into why these costs are so high. I shall leave that for C.C.F. speakers, but I should like to say that in Edmonton the lowest rate, which of course is a commercial rate, is 17 cents per thousand cubic feet. When the amount used is from 10,000 to 42,000 cubic feet per day the rate, and this is still a commercial rate, goes up to 19 cents per thousand cubic feet. The domestic rate is 25 cents. These figures are vastly different from those we heard the Minister of Agriculture give with respect to that socialist province right beside the province of Alberta.

As I said earlier in my address, there is only one real issue at this time and that is public ownership versus private ownership. Assuming that we could get all the pipe needed and that all other things were available that are not available from other companies, I want to give the reasons why we cannot afford the luxury of public ownership in this instance. We have already heard that the gross national product of Canada this year will be somewhere between $26 billion and $28 billion. The Minister of Trade and Commerce has already announced that it is estimated that capital expenditures in Canada this year will be $7½ billion. This is a record percentage for any nation at any time, and I do not exclude Russia.

Serious doubts have been expressed as to the ability of our economy to find the goods and services to accomplish this capital expenditure. This means that there is danger of serious inflationary pressures within our economy. Canada is fortunate in being next door to the United States so these inflationary pressures may be cushioned by spilling over into their much larger economy. The mechanics of this spilling over involve the importation at such a time of United States capital for development.

I am one of those who have constantly urged the maximum rate of development for our country, with particular emphasis on the Canadian northwest; and since I have so constantly urged the maximum rate of development I again want to say that I support as strongly as I am able the procuring of the wherewithal to expedite this rapid development. When our own resources are being used to the maximum extent, we must do all possible to encourage the importation of outside capital. This outside capital is

not just paper money; this outside capital is orders on goods and services from beyond our borders.

In the case of the proposed pipe line the outside capital which we hope will go toward its construction will be orders for pipe of various sizes, heavy construction machinery, and the know-how of citizens of another country. These are things we lack, and we are grateful to be able to procure them for our benefit. If the line were publicly owned we would have to obtain these things with Canadian dollars. Canadian dollars are not orders on goods in another country, and we would have to purchase United States dollars to obtain these goods and services. At this time this would add further inflationary pressures, and if we insisted on carrying on this project without that outside capital the rate of our development would have to be slowed down.

Since the pipe line is vital, the government has indicated that it will be built as a public ownership project if necessary, which is proper; but if it became necessary to accept this proposition it would be with heavy hearts on the part of those who are most anxious for development. However, I have every confidence that it will not become necessary. I want to see United States capital come into our country, and having said that I want to put this idea on the record; that from personal observation I have noticed that not only people immigrate to a country but capital immigrates in the same way. A satisfactory share of the United States capital that has come into our country in the past has become nationalized as Canadian capital, and a satisfactory share of the United States capital that is coming into our country in the oil and gas fields will become Canadian capital. Whatever rewards we as Canadians must pay for the capital that enables us to develop our country, will be paid willingly and I hope with an expression of gratitude to those who are willing to express their confidence in us.

We have done a great deal about our own development but it has not all come about because of our own efforts. We have received assistance from others. However, I am pleased to say that having been assisted we have justified that assistance by continuing our development more and more through our own efforts. In proportion to our gross national product the use of outside capital is diminishing. Our gross national product is rising at a very great rate, and while more and more outside capital is coming into the country the ratio between the two is lower and will continue to diminish.

I should like to leave this thought with the house. All Canadians whom I know are devoting all their spare money to some form of endeavour in this country, and the only way we can do more is by getting additional capital from outside the country. Reference was made to the loan for the construction of the prairie section of the pipe line. We all know that the reason a loan is necessary is that the financial institutions have not been able to grant loans in the ordinary way. But let me ask this question. Who is responsible for that situation? It is the members of this house who bind the banks in their lending and say under what conditions they can lend. We also say under what conditions the insurance companies and other financial institutions can lend money. We do so because these organizations are not always lending their own money but are lending the resources of the Canadian people. If the conditions with which we have bound them are such that they cannot lend for a short term the money that is required to get construction of the line under way this year, who more than the members of this house ought to see to it that the project is not halted because of that fact?

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I listened with a great deal of interest to the hon. member for Calgary South. I thought he gave the house a great deal of assurance that he knows what he is talking about—

Mr. Gauthier (Portneuf): He does.

Mr. McCullough (Moose Mountain): —and while I was listening to his words I had occasion to look at the Parliamentary Guide and read his biography. I think I need say no more than that to indicate that this hon. member should know something from his point of view with respect to what he is talking about. I shall just refer to a portion of what I find here. The hon. member is indicated to be a publisher and editor and oil operator, the publisher of Nickle Publications Limited, president of the Pump Room Limited, director general of Petroleums of Canada Limited, president of Conick Petroleum Limited, a director of Superior Oils of Canada Limited, a director of Selburn Oil Company Limited, vice president of Anglo-American Oils Limited, and then it continues with other phases of his activities.

Mr. Nickle: I might say all Canadian-controlled or wholly-owned companies.

Mr. McCullough (Moose Mountain): Mr. Speaker, at the outset I want to say that I consider this proposal before this house to be the sinister brain-child of the Minister of Trade and Commerce. It is a monstrosity of indiscretion, and in my opinion is a desperate plan by a desperate government

to foist upon the Canadian people a private monopoly in the name of political expediency to the glory and edification of private enterprise.

This chosen instrument of the Minister of Trade and Commerce is presumably too weak to do this job. Since 1951, when plans were mooted for the building of a trans-Canada pipe line, this company has repeatedly failed in its undertakings both with this house and with the government. However, under the tutelage of the Minister of Trade and Commerce the government intends to continue to foster and nurture this company wtih Canadian taxpayers' money. It will be bottle-fed to the tune of perhaps $80 million for its first feeding, and in all probability the later diet will be included so it will have approximately $130 million.

I want to say this, Mr. Speaker. In my opinion, by the time this instrument of the government, this brain-child of the Minister of Trade and Commerce, has come into complete control of this utility, it will then begin to flex its muscles and no longer will need the aid of the government. It will then be in a monopoly position to exploit the people, the Canadian consumers of gas in this country, wherever it serves the Canadian public. So I want to discuss this afternoon the viewpoint which I take in connection with this important project, which I think should be a public utility.

I feel that the issue is the one which was pointed out just a few minutes ago by the hon. member for Churchill. The issue is whether this will be a private enterprise or whether it will be a public enterprise. I, together with my colleagues in the C.C.F. party, feel it is essential that this be a public undertaking, so the Canadian consumers of gas will not be fleeced by a monopoly in that field.

As far as I am concerned I am not blaming or casting reflections upon the people of Trans-Canada Pipe Lines or others who perhaps may be interested, on a private basis, in constructing this line. I think it is somewhat unfair to charge those people with having ulterior motives. I think it is up to this government to decide how much private enterprise and how much public enterprise we should have in this country. I think it is up to the elected representatives of this country to decide where private enterprise and where public enterprise fit into the economic plan of this country.

I for one support those who have suggested that here is a program for the transmission of gas from the fields of Alberta through to Winnipeg, as proposed under this plan, which should be under public control.

[Mr. McCullough (Moose Mountain).]

The plan is, of course, to extend that pipe line from the vicinity of Winnipeg. While nothing is said at the present time about the 110-mile line from the vicinity of Winnipeg to the Ontario-Manitoba border, I expect that once again this Liberal government will come to this house and ask for more public money to finance this 110 miles of pipe line. In addition, there is no question about it that the Canadian public will be obliged to put up the money, in the initial stages at least, to build the long pipe line through Ontario to Toronto. Hence I say that here is an issue that is of utmost importance to this house and to every Canadian citizen, namely whether or not we should at this time launch upon the proposal put forward by the minister and the government to put in the hands of United States investors the right to control the transmission of gas to the various consuming centres in this country. I say that it is a sell-out of one of the most important natural resources in this country.

I and the members of the C.C.F. party are not alone in our criticism of the government proposal. I have here an editorial which appeared in the Toronto *Daily Star* of March 17, 1956. It is entitled "A Canadian Tragedy?" and reads in part as follows:

> Right Hon. C. D. Howe made a spirited defence of the government's pipe-line policy in parliament, but analysis of his arguments reveals them to be self-defeating. It becomes evident that the government is holding stubbornly not to the best of all pipe-line plans, but to the poorest of three alternatives.

Further on it goes on to say this:

> But national policy is apparently as immutable as the Medean law on this point, so Mr. Howe discusses only two alternatives: the government's present plan versus outright public ownership.

Further on again it continues:

> According to Mr. Howe, this plan has "a better chance of working" than public ownership.

It is now speaking of the proposal in the bill before us of building a private transmission line with public funds. The editorial continues:

> But his arguments against public ownership of the whole line are singularly weak.
>
> He says that gas is only one of several competing heat and energy sources, and it would not be in the public interest for the government to subsidize gas transmission and provide unfair competition to coal and oil producers.
>
> What else is the government proposing now but to subsidize gas transmission? The difference is that its present plan would subsidize (or at least put up money) for the benefit of a private company, whereas public ownership would be subsidization for the benefit of the Canadian public.

I say that is what it should be. If we are going to use public funds on this important

matter, then it should be a public enterprise and any subsidization should be for the benefit of the Canadian public.

In addition I have here another clipping taken from the Ottawa *Journal* of May 11, 1956. It is entitled "Loans to Trans-Canada Makes a Bad Deal Worse" and it goes on to show that this is a bad deal, that the present plan of the government is not in the interests of the Canadian taxpayer but is an enabling measure to help United States promoters of oil and financiers build a pipe line. Hence we have criticism coming from newspapers and from sources usually supporting the Liberal party in connection with their programs.

I want to deal more particularly with the issue of public ownership. We know full well that this party stands for the eradication of the capitalist system of monopoly enterprise as we have seen it in the past. We believe in private ownership, we believe in co-operative ownership, and we believe in public ownership. We feel that in this country there is a proper place for all these types of ownership. In the province of Saskatchewan from which I come we have endeavoured, since 1944, to launch upon a program which would change our provincial economy from what it was at that time—which was 94 per cent dependent upon agriculture—to one which would be diversified. From the very time the people of Saskatchewan saw fit to elect a C.C.F. government in that province we had the Minister of Agriculture (Mr. Gardiner) and the former leader of the Liberal party in Saskatchewan, now the hon. member for Rosthern (Mr. Tucker) going up and down the province trying to scare away enterprise, trying to indicate that we had a government which was going to take over all the enterprise in the province and which would not allow private enterprise or anything but public ownership within the province.

After the dust had cleared away private enterprise knew full well that there had been a lot of misrepresentation, there had been a lot of lies told and a lot of half truths, with the result that in the past 10 years in the whole province of Saskatchewan we have had over 300 per cent more enterprise than in any previous 10 years. I want to go into some of the progress we have made in the province, because it has a direct bearing on what we are doing here.

Formerly we had in that province an economy under which, as a result of the vagaries of both prices and weather, our people were finding it very difficult to maintain any degree of prosperity. The planning we have done has encouraged private enterprise to come in, but the people of that province were assured that their natural resources would not be stolen from them. We now have private enterprise coming into that province as never before. I take this occasion to bring this matter before the house because I was in the chamber last evening when the Minister of Agriculture, with his usual misrepresentation of the facts, tried to indicate that the province had undertaken programs which had been complete failures and that our whole program was frightening away industry. On page 4058 of *Hansard* for May 17, 1956, the minister said:

> Well, my hon. friends having tried the application of public ownership and control to making boots, to making blankets, to making a lot of other things, and having cast them all into the discard, have now come back to following exactly the same plan of organization that has been followed in order to set up part, and only part, of this particular pipe line. Therefore, I call their attention to the fact that they themselves have done all the answering that needs to be done; they themselves have given every answer.

On former occasions the Minister of Agriculture has seen fit to go through *Hansard* and make some corrections. I hope he will make an apology to this house when he comes back and will admit quite frankly that he was too all-inclusive in the statement he made in this chamber last night. In addition, anyone reading what he said or hearing him in this chamber could only come to the conclusion that the program the Saskatchewan C.C.F. government had undertaken had been a failure. Nothing could be further from the truth.

Before launching into that I just want to say there is a difference between what we are proposing to undertake in our province and this proposal. I sat in this house in 1945, after the war, and I saw plants sold that had been built with the taxpayers' money under public ownership. There was Research Enterprises which was sold to a firm at fire sale prices. There was a plant at Welland which was sold to the American Cyanamid people at fire sale prices, a company which had been indicted on three counts under the anti-trust laws of the United States. We saw one fertilizer plant after another sold to private industry so that we had a monopoly in the fertilizer industry of this country. Every program in which there has been any relationship between public and private ownership with which the Minister of Trade and Commerce has had anything to do has been one of selling out the rights of the people of this country to monopoly enterprise. There are a few exceptions; I want to be fair about this.

We have the fertilizer industry of this country now under monopoly control. We have the cement industry of this country under monopoly control, and about 85 per

cent of it under the Canada Cement Company. We have a new plant that a company is proposing to construct at Regina.

Mr. Howe (Port Arthur): May I ask my hon. friend a question? When you had the opportunity and you were providing the money for the cement plant, why did you not keep it under government control?

Mr. McCullough (Moose Mountain): That is a good question and a fair question. It is because we do not believe in all public control.

Some hon. Members: Oh, oh.

Mr. McCullough (Moose Mountain): In our province we believe there is a place for private ownership, there is a place for public ownership, and a place for co-operative ownership. If we can help it we are not going to allow monopoly in this country to operate in such a way that the consumer gets skinned. The whole need in our province was for a cement plant from which we could get cement for our Saskatchewan people at fair prices. I can remember when cement was bought for 50 cents a sack, and today you pay $1.50 for it. There should be lots of cement in this country, as the minister knows, but often you are skinned and have to pay $2 or $2.50 a sack for it. It was for that reason we tried to encourage private enterprise in our province. Here, the issue today is one of—

Mr. Mang: Mr. Speaker—

Mr. McCullough (Moose Mountain): Sit down.

Mr. Mang: Closure.

Mr. McCullough (Moose Mountain): Go ahead.

Mr. Mang: If the hon. gentleman will permit a question, do I understand from the remarks that have just been made that he repudiates entirely the basic principle upon which the C.C.F. is founded, that is state ownership and state control of the means of production, distribution and exchange, which is the heart of the manifesto?

Mr. McCullough (Moose Mountain): The heart of the manifesto is that the C.C.F. party will prevent monopolies in this country from exploiting the Canadian people.

Mr. Mang: You repudiate it.

Mr. McCullough (Moose Mountain): I answered your question.

Mr. Mang: You are repudiating it.

Mr. McCullough (Moose Mountain): I am not repudiating anything. We are preventing the exploitation of resources or of any industry by monopoly. The Minister of Trade and Commerce left the impression in this house last night that we had discontinued the program of public ownership in Saskatchewan, and that the industries undertaken by that government had been failures. I want to indicate to the house some of the figures in that respect.

Mr. Howe (Port Arthur): I rise on a point of order. I said nothing about the industries under the control of the Saskatchewan government.

Mr. McCullough (Moose Mountain): Pardon me; I meant the Minister of Agriculture. As I said earlier, the program undertaken by Saskatchewan has been one of trying to bring about an industrial economic balance in that province. In the early stages of our government in that province in 1945 we did undertake the construction of certain industries under public ownership. We have a number of industries which have been under provincial ownership as crown corporations. I have in my own constituency, Mr. Speaker, a briquette plant which is not publicly-owned. It is a privately-owned plant at the present time. Two of the western provinces along with this federal government put into that plant over a million dollars and then turned it over to private enterprise for $1, another sell-out.

What we have tried to do is illustrated by the case of the brick plant which is in my constituency. We took over that plant and renovated it. We put money into it and put 50 or 60 men to work producing bricks for the people of Saskatchewan. Only about two years ago the issue came up as to whether or not it should be enlarged to meet an expanding market, whether they should continue on the present basis or perhaps discontinue altogether. I am going to tell this house that there was not a person at the meeting which was held in public in the town of Estevan, who when asked what he thought should be done did not think the brick plant should continue to operate as a crown corporation in that area. Today that brick plant, which was defunct under private ownership, is producing bricks and employing men, utilizing the clay and supplying the people of Saskatchewan with brick at fair prices.

Then, of course, we did have our boot and shoe factory. We started a boot and shoe factory perhaps too early, and as far as that is concerned it was a failure. But in the 1930's we had children in the province without shoes; we had hides that were not worth enough to transfer them to the tannery, and we started to make shoes for Saskatchewan people.

Here is another example of private monopoly, in the shoe manufacturing field. The Bata Shoe Company has a monopoly and gets a royalty on every last which goes into the manufacture of shoes. They did in fact prevent us from making that enterprise a success. We are on the march in Saskatchewan today. The industries we have are giving service to our people.

Then we have a woollen mill at Moose Jaw. This woollen mill is now operating under private enterprise, but it means that we have a garment factory in that province. It means that another industry is coming into our province and functioning, which we never had before. The net result is that from 1945 to 1956 the crown corporations in the province of Saskatchewan—I am including all the crown corporations, our power commission and our telephones—have had a total surplus to date of $8,118,000. The total accumulated deficits, including all losses to date, amount to $1,746,000 which leaves over $6 million of profit to the people of Saskatchewn to give our people other services. In addition to that it has employed 3,000 or 4,000 people, with a payroll of over $1 million. These things bring businesses and other enterprises to the province, so the net result of these good undertakings are hard to estimate exactly. The hon. member for Saskatoon says that it is a better record than private enterprise. It is estimated that this year we shall have a net earning in these corporations of over $1 million, which is better than 10 per cent on the investment.

Mr. Howe (Port Arthur): May I ask my hon. friend a question? Is he aware that the largest and most successful socialized industry is Saskatchewan is owned by the federal government?

Mr. McCullough (Moose Mountain): That is all right. I am speaking now of the particular issue before this house, which is another matter which should be under public ownership and control. I am not arguing that there are not some things today under public ownership and federal control, but I am showing what can be done in a small way in our province, where we have undertaken to equalize and level out our economy so we shall have a balanced economy.

Now then, let us go to oil industry in the province. The Minister of Agriculture had the audacity to get up in this house and, either through ignorance or otherwise, say that he did not think the clay of Saskatchewan was suitable for making cement. I can only come to the conclusion that statements of this sort are trying to hurt our province. The present leader of the Liberals in Saskatchewan, I guess under the tutelage and direction of the present Minister of Agriculture, said this when he spoke to a Toronto businessmen's club:

> We in Saskatchewan have missed the boat. We have not taken advantage of the opportunities for progress in the last 12 years. Investors hesitate to enter Saskatchewan while a C.C.F. government was in power.

What nonsense. I am going to indicate what is taking place in the province. I hold in my hand an article entitled:

> Saskatchewan's southeast oil fields designated "hottest" discovery area.

This is an article by Leslie Orr Rowland, reprinted from "Oil in Canada". He is certainly not a supporter of the C.C.F. I think this gentleman is trying to report the facts of the case. He says:

> Saskatchewan is practically bursting at the seams with crude oil productibility as the prolific southeastern corner has turned in the past 15 months into the hottest oil search and discovery region in the whole of western Canada outside of the Pembina field.

Then again, from the "Oil Era" we get this:

> In writing of oil and gas development in Saskatchewan in the article reprinted on this page, the editor of "Oil In Canada" concludes his appraisal with this bright forecast:
>
> These reserve figures, for both oil and gas, are the vital clue to the future of Saskatchewan development and further wildcatting. The province is entering an era of rapidly growing stature as a major oil reserve region, with important future implications for general industry as well as the oil industry. The construction of a pipe mill in Regina, to be completed this year at a cost of $3 million or more, is a symptom of this shape of things to come.

So we have people who wish to report the facts, Mr. Speaker, indicating that in our province there can be a program by the government to protect the rights of the citizens of that province; that we can have an economy which will lend itself to public, private and co-operative ownership. In the province of Saskatchewan in connection with oil we have undertaken to promote one of the finest ideas to be evolved in human relationships, and that is the co-operative principle of ownership. We have the federated co-operatives, who are producing oil at the oil fields under a crown contract. The oil is taken to the co-operative refineries at Regina and is sold, of course, to the farm people and other co-operators. So right from the fields to the consumer we have the handling of that very important product. That is the kind of thing we should endeavour to promote in this country, because the people who are the most important factor in connection with any program are given the opportunity of sharing on an equal basis in the exploitation of the natural resources of this country.

Northern Ontario Pipe Line Corporation

Mr. Thomas: Saskatchewan co-operatives have three producing wells in the Leduc oil fields.

Mr. McCullough (Moose Mountain): I think they have. In Saskatchewan in 1944 we gave notice that no private enterprise was going to come to our province and skin the people through the exploitation of the natural resources. On the other hand, people who are good businessmen are now coming in on what can be termed a fair basis, and in our province we have perhaps one of the greatest oil searches and oil booms taking place anywhere in Canada at the present time.

So far as public enterprise is concerned, Mr. Speaker, this is a thing which I believe should be in the interests of all members. I feel that when we allow those natural resources to be exploited, they should not be controlled by any private companies, whether it is a pipe line or anything else. If we do, we are doing a disservice to the Canadian people. It will mean, in the case of the trans-Canada pipe line when it is finished, that we will have no Canada power authority to see how much the gas is going to cost the consumer. Today the board of transport commissioners can only say where the pipe line is to go.

I think it is useless and futile at this time to argue in the house what is to be the price of gas bought by the consumers under the government's proposal. It will be whatever the traffic will bear. It will be the price they are able to exploit from the consumers of gas, and today that is not good enough.

The hon. member for Churchill said he believed that we should welcome American capital into this country. I do, too; but I do not think anyone outside or inside this country owning private capital should be given the resources of this country to build up a monopoly and then skin the public. It reminds me of a story which I think is quite applicable. It is said that a farmer found that his chickens were being killed nightly by the foxes. Some smart fellow said: "Why don't you get a skunk and put it in the chicken coop?" Well, he did, and very shortly he did not need to worry at all because there were no chickens.

That is the sort of thing that is happening to our natural resources. More and more they are being sold down the river to private enterprise. I believe private enterprise has a place in this country. As a farmer I am a private enterpriser, and I believe that small businessmen are also private enterprisers. We do not, however, want monopoly enterprise and that is the thing which is being aided and abetted by the federal government in proposing to give $80 million or 90 per cent of the cost of this western pipe line to this company. Then this company will have to come back to parliament and say, "We will have to have some financing for the leg of the pipe line from Winnipeg to the Ontario-Manitoba border." And we will certainly have to pay the shot for what is sometimes termed the uneconomic leg of the pipe line across northern Ontario. What a sell-out.

This government had already moved closure before debate had taken place. The government say we have to get this through by June 7. After five long years of hesitation and delay it is suddenly necessary to rush this thing through. I believe it is necessary to get the pipe line built as soon as possible, because I appreciate the situation of the Alberta oil producers. They have gas being flared off and wasted. I think the hon. member of the Social Credit party should have joined with the C.C.F. in advocating public ownership of the pipe line as a public utility.

There is no reason why the Minister of Trade and Commerce, with the powers vested in him, could not have obtained pipe for the pipe line. It is a lot of nonsense that this company has control of this pipe. We could get pipe from other places if we were unable to get it from that source. That is a pretty weak and feeble argument.

What we are saying is that if it had the will to do so, this government could do the job under public ownership. However, the government does not want to do this. It prefers to allow a private company to come in and use public funds which will be taken out of the public treasury for the construction of this economic line, something which was not heard of a few months ago. It suddenly popped up in this house just about a week ago at the same time closure was moved by the government, and now we have a deadline on the discussion and we cannot adequately investigate the merits of the case.

The government will not allow this issue to go before a committee of this house. After five years' delay the government say that this must be put through in a week or two. Well, I do not think the government is going to sell that bill of goods to the Canadian people. The government is trying to force its desperate plan upon this house and the Canadian people. This desperate government does not want the company which has been hanging on to its coat tails for five years to be still there when the election is called in 1957. The government wants to get the thing through. It is ready to take a chance, and it hopes that perhaps the public will have forgotten about it by election time. Well, that program must be sweet music to the old party members in this house and also

perhaps to my Social Credit friends because what this may become is a pipe line of party funds, election campaign funds. There is no doubt in my mind that after it is built a lot of political party funds will be coming the way of certain political parties in this country.

I remember the Beauharnois scandal. I think it was Mr. Sweezey or someone who made the statement to the committee that the company was always prepared to pay certain moneys to both the old parties. On that occasion I think the Beauharnois corporation paid $200,000 to the Liberal party and a tidy sum to the Conservative party.

We have instances—

Mr. Brooks: Mr. Speaker, on a question of privilege, I think the hon. member—

Mr. McCullough (Moose Mountain): Mr. Speaker, I am nearly finished. The hon. member can rise later.

The Acting Speaker (Mr. Applewhaite): Order. The hon. member for Royal wishes to speak on a question of privilege.

Mr. Brooks: On a question of privilege, Mr. Speaker, the hon. member said the Beauharnois company paid to the Conservative party certain moneys from their funds. It is well known that moneys were offered to Hon. R. B. Bennett and he refused to accept them.

The Acting Speaker (Mr. Applewhaite): I think it was decided earlier in this debate that this type of correction is in order but at the conclusion of the speech of the hon. member who has the floor.

Mr. McCullough (Moose Mountain): Mr. Speaker, I just want to say one further word. I think it is dangerous to have too much private ownership and monopoly control. When we consider the recent scandal in connection with the breweries in Manitoba, the investigation reveals that the three parties, Conservative, Liberal and Social Credit, did receive approximately $30,000 of campaign funds. When you have a large corporation such as Trans-Canada is expected to be there is a chance that graft and political skulduggery will occur. In a crown corporation the possibility of this occurring is somewhat reduced.

What is perhaps more important is the fact that if we were to have this set up as a public utility the government could decide on a price that would be fair to all, just as we are doing in our power corporation in the province of Saskatchewan. There are many people in that province who would like to get a cheaper rate if they live in a preferred area. Our government says it is going to treat all the people in the province on a fair and equal basis in connection with that power. We have a plan under which our farm people and the people in our towns and cities get a fair deal. No great corporation is able to say it will give power at cheap rates to the main cities or to the big industrial centres, thus permitting the rural people to suffer or go without facilities. We are building our province for the people of Saskatchewan on the basis of equity. I wish the government would build for all Canada on that basis.

In conclusion I just want to say I am terribly disappointed that the Minister of Trade and Commerce and the government refused even to consider letting this matter go to a committee, where different people would perhaps be able to put before the government a better proposal than the ill-conceived proposition facing us at this time.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, I take part in this debate today with mixed feelings. It is the first time since I have been in parliament that I have seen closure used to bring about a useful debate. If I may do so for just a moment at the beginning, I would like to comment on some of the observations I have made. I feel these were brought about partly by the interesting topic before the house and partly by the rules of the house.

I shall begin by speaking in defence of the hon. member for Calgary South (Mr. Nickle). I would like to read the record of the hon. member, who was referred to by the previous speaker, the hon. member for Moose Mountain (Mr. McCullough). The Canadian Parliamentary Guide outlines the hon. member's record as follows:

> Publisher and editor, oil operator; president, C.O. Nickle Publications Limited; president, The Pump Room Limited; director general, Petroleums of Canada Limited; president, Conick Petroleum Limited; director, Superior Oils of Canada Limited; director, Selburn Oil Company, Limited; vice-president, Anglo-American Oils Limited; director, Calgary Y.M.C.A., 1951-52; N.C.O. 1939-44, lieutenant 1944-48, Calgary Highlanders.

I suggest to the hon. member for Moose Mountain that it is a good thing for this parliament that we have men of that calibre here. The hon. member went on to say that the Minister of Trade and Commerce had sold out the rights of his country and that the pipe line is a sinister brain child. I would remind him that some of the boys who were overseas and had the opportunity of using the beautiful Bren guns the minister produced will not think well of him for saying that the Minister of Trade and Commerce would sell us out. The boys who flew the Mosquito planes, those marvellous planes which Canada supplied during the war and which were produced under the jurisdiction of the Minister of Defence Production, will not appreciate

the hon. member standing up and calling him a sell-out. Those of us who had the opportunity of going down to Montreal to visit the plant of Canadian Vickers to see that beautiful sub-chaser, a ship which is regarded around the world as one of the most modern pieces of fighting equipment for its size that has been produced by any country, really appreciated what was being done under the direction of the Minister of Trade and Commerce.

Mr. Brooks: How did the other nations come to have it?

Mr. Hosking: This man who has done all these things has to sit here in the house and listen to a person who has made very little contribution to this country accuse him of being a sell-out.

Then the government are accused of putting on closure and we have heard all sorts of things said about closure. The hon. member for Prince Albert (Mr. Diefenbaker) asked, "What is parliament without debate?" Then he answered, "Sterility." The hon. member for Eglinton (Mr. Fleming) in referring to the government, said it does not matter whether you destroy parliament in the process or that parliament be hanged in the process. Those are the terms which have been used in referring to closure.

Those hon. members who were here last Tuesday, and certainly the people who were in the galleries or who wanted to get in but could not, heard one of the best debates that has taken place in the house. This vehicle of closure has contributed more to the behaviour of parliament in the last few days than anything I can remember since I have been a member. I want to point out a few other things that happened last Tuesday.

The hon. member for Winnipeg North Centre (Mr. Knowles) seemed to be interested in seeing that the staff got off at one o'clock and that they got paid for their work; and we then proceeded to sit here from one o'clock until four o'clock.

An hon. Member: Five.

Mr. Hosking: We saw obstruction in every shape and form, and the poor staff had to stay on. I just wonder whether there was any sincerity in the concern as to their welfare.

An hon. Member: Lip service.

Mr. Knowles: Mr. Speaker, on a point of order, I do not take any objection to the arguments or any adjectives the hon. member may wish to use but I do not think Your Honour should let an hon. member question the sincerity of another member of the house.

[Mr. Hosking.]

The Acting Speaker (Mr. Applewhaite): The point raised by the hon. member for Winnipeg North Centre is not without merit. In the heat of debate there are quite often many accusations and a great deal of criticism, but I think it is pretty well understood that an accusation of insincerity is not regarded as parliamentary. I was listening carefully to the hon. member and I do not think he made the accusation of insincerity. He expressed doubt. I do not think it was the intention of the hon. member for Wellington South to go beyond the rules of the house and I have no doubt that he will take occasion now to make that clear.

Mr. Hosking: I was merely pointing out how careful the hon. member for Winnipeg South was in looking after the welfare of the staff, and then how his actions in frustrating and applying all the rules he possibly could—

Mr. Knowles: If the hon. member is going to criticize me he should at least use the right name for my constituency.

Mr. Hosking: I am sorry; Winnipeg North Centre. Then when the Deputy Speaker was in the chair the Leader of the Opposition (Mr. Drew) said that he would not withdraw a statement. That was quite within his rights, but if there is anything that preserves parliament it is that members obey the rules of the house. When the Leader of the Opposition stands up and defies the Speaker he does more to destroy parliament—

The Acting Speaker (Mr. Applewhaite): I intervene at this moment with considerable hesitation and unsupported by citations or authorities, but I express the opinion that it is not in order on a debate on this motion to discuss in detail decided points of order which were raised previously in the debate. I may be wrong, but I do not think I am.

It being five o'clock, the house will proceed to the consideration of private and public bills.

PRIVATE BILLS

OGDENSBURG BRIDGE AUTHORITY

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No 300, respecting Ogdensburg bridge authority.

Mr. Green: On a point of order, may I point out that this bill was received only this afternoon. It may be that there will be no opposition to the bill, but I suggest to the sponsor that it be allowed to stand until we have had the opportunity to look at it.

Mr. Henderson: The bill is quite short, as it incorporates only small amendments to the

bill introduced in 1952. On behalf of the principals I would appreciate if it could be considered tonight, providing there is no objection by my hon. friend.

Mr. Green: Perhaps the sponsor could make his statement and then the debate could be adjourned so we would have an opportunity to study it.

Mr. Henderson: This bill will be sent to a committee where it can be considered. There are only three minor sections.

Mr. Green: I move the adjournment of the debate.

The Acting Speaker (Mr. Applewhaite): If the house will permit me for a moment, the bill being on the order paper I could not order it to stand as a point of order, but of course the Chair will be glad to accept whatever arrangement the parties come to. I rose at this time to ask whether the hon. member for Kingston had concluded his statement or whether he was merely asking permission of the opposition to continue, because if he had not concluded his statement he should be permitted to do so before adjournment of the debate is moved.

Mr. Henderson: I had not concluded my statement. I only rose to support having the bill before the house now, and I would appreciate the opportunity to make a statement so that hon. members will fully appreciate the purposes of the bill.

This company, the Ogdensburg bridge authority, was incorporated by a special act of the parliament of Canada in 1952 for the purpose of building a bridge from Prescott, Ontario, to Ogdensburg, New York. At the time the act was introduced the best estimate of the cost of the bridge was in the neighbourhood of $10 million to $12 million. As a result of this estimate which, of course, was necessarily based on incomplete information, the right of the company to issue debentures was limited to $10 million under section 16 and $12 million under sections 12 and 17.

Since the company was incorporated plans for the construction of the bridge have been prepared and more complete engineering data have been obtained, with the result that it now appears that the cost of the bridge will be at least $15 million. I might mention the fact that the legislature of the state of New York has just approved a bill authorizing the sum of $15 million to be lent to the company to be secured by debentures and to be used in the construction of this particular bridge. In an abundance of caution, and to ensure that the principals will not have to return to parliament for a further amendment after the commencement of construction, this bill has been brought before the house amending the three sections of the original act referred to above in order to provide for the issue of $20 million in debentures. The wording of the sections remains precisely the same except that the amount of debentures is increased to $20 million.

I might say that the company's act of incorporation provides that when the cost of building the bridge has been retired, that portion of the bridge over Canadian soil shall revert to the public authorities of Canada and that portion in the United States of America shall revert to the public authorities of the United States. In other words this is not an undertaking for the financial gain of private individuals.

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, as I said a few moments ago, we have not had an opportunity to study this bill which has come to us from the other place, and I am hoping that the sponsor will have no objection to the adjournment of the debate until next Tuesday so we can look into the bill. It does bring up the question of just how the proposed bridge will affect the St. Lawrence seaway and where the St. Lawrence seaway authority fits into the picture. I am presuming that everything is all right and that the bill deserves support, but I would move that the debate be adjourned.

On motion of Mr. Green the debate was adjourned.

GRAND FALLS CENTRAL RAILWAY COMPANY LIMITED

On the order:

Second reading of Bill No. 301 (letter Y-9 of the Senate), intituled: "An act to incorporate Grand Falls Central Railway Company Limited".—Mr. Ashbourne.

Mr. T. G. W. Ashbourne (Grand Falls-White Bay-Labrador): Mr. Speaker, in view of the fact that copies of this bill have not yet been received from the printer and thus have not been made available to hon. members, I suggest that the bill stand.

Mr. Speaker: Stand.

LA CORPORATION DU PONT DE TROIS-RIVIERES

On the order:

Second reading of Bill No. 302 (letter Z-9 of the Senate), intituled: "An act respecting the construction of a bridge over the St. Lawrence river near the city of Trois-Rivieres".—Mr. Boisvert.

Mr. Maurice Boisvert (Nicolet-Yamaska): Mr. Speaker, I understand that copies of the bill have not been distributed yet but I should like to have the same privilege as the hon. member for Vancouver-Quadra (Mr. Green) and, after making a few remarks, move the

adjournment of the debate on the bill until next week. If I am permitted to do so, I should like to present the explanation this afternoon.

Some hon. Members: Agreed.

Mr. Boisvert moved the second reading of Bill No. 302, respecting the construction of a bridge over the St. Lawrence river near the city of Trois-Rivieres.

He said: Mr. Speaker, the purpose of the bill is to obtain authority to build a bridge over the St. Lawrence river between two points, one on the north shore above Three Rivers and the other on the south shore below Nicolet. As the bill concerns my riding, which is 100 per cent French in origin, I intend to give my explanation in French, which before this house has equal standing with the English language, the learning of which I enjoyed very much.

(Translation):

Mr. Speaker, before dealing with the bill now before the house, I should like to give a bit of history.

The proposed bridge will serve two very important districts, that of Three Rivers and that of Nicolet.

Historically speaking, the city of Three Rivers is one of the oldest in Canada. It was the second one to be founded after Quebec. Originally it was a fur trading post. That trade led two men from Three Rivers, following their expeditions into the far north and into the Hudson bay area, to go to London and set up, with British capital, even under the French regime, the Hudson's Bay Company which contributed to the development of the far north and the Canadian northwest.

Later, Three Rivers was the site of the first iron working industry, under the French regime. Everyone has heard of the Three Rivers ironworks. As everyone knows, iron developments in the province of Quebec are getting more and more important; it was at Three Rivers that a powerful ironworks industry was born and its memory is perpetuated by one of the Canadian Iron Foundry plants.

Later on, the city of Three Rivers became a railway centre and one of the main pulp wood centres of Canada. Today, its mills are among the largest and most important in the country.

Around Three Rivers, such cities as Cap-de-la-Madeleine, Grand-Mère, Shawinigan and La Tuque, have developed, and all are located in central Quebec.

Now, on crossing the river to the south shore, we find the county of Nicolet, which also dates back to the early days of colonization; it has always been a wholly agricultural district. However, at one time there was a little seaport there known as Port St. François, operated by a company located at Sherbrooke, with an office in London. For many years, immigrants from England landed at Port St. François. This sea port has now disappeared following the construction of highways and of a railway line.

On the south shore, the district serves and will continue to serve Victoriaville, Thetford Mines, Richmond, Sherbrooke, Drummondville, St. Hyacinthe and Sorel. Therefore, we readily see the importance of connecting the two shores of the St. Lawrence river at the points I indicated a few moments ago in English, that is one on the north shore a little above the city of Three Rivers and the other on the south side, some ten miles below the town of Nicolet.

We hope, for the county of Nicolet, that the Imperial Oil Company, which for many years has made explorations for gas and oil, will eventually make borings to a greater depth and find such research profitable.

We also look forward to the day when the little port of St. Francois, which has played an important part in the historical development of our province, will be able to resume its former activities. The channel on the St. Lawrence river is but a few hundred feet from the bank and there is there a site ideally located for the establishment of a sea port.

The construction of that bridge is urgently needed. In fact, last year, almost a million pedestrians and 400,000 vehicles had to take the ferry boats, in the middle of the summer and in extremely difficult conditions, to cross the river.

When this bridge is built, it will connect the eastern townships, the county of Nicolet and the city of Three Rivers with the American boundary, which is only 120 miles away from this town, apart from the fact that construction of a highway between the important harbour of Portland, on the coast of Maine, and Three Rivers, will make this a shortcut from the United States to the heart of Quebec.

The bridge is to be built by a private company. It will be 5,000 feet long and will cost almost 15 million dollars. It will be a toll-bridge, but experts who have studied the project are in no way worried about the future of this bridge, and claim that even now they are sure to obtain the required building capital. The structure is a necessity

for the local farmers whom I represent, and also for the development of the city of Three Rivers. Sixty per cent of the food products brought into Three Rivers come from the county of Nicolet-Yamaska and, thanks to this bridge, farmers will certainly benefit considerably.

Hon. members know that it is generally not possible to build a bridge in a province. Within a province, bridges, like highways and railways, are recognized to be under provincial jurisdiction. When a bridge is to be built on the St. Lawrence river, under chapter 140 of the Revised Statutes of Canada, no permit may be awarded unless an act is passed by parliament, authorizing the construction of this bridge over the navigable waters of the St. Lawrence. This bill aims at obtaining this permit. According to plans already prepared, the arches of the bridge will have to be high enough not to impede navigation, and plans thereof must be approved by the governor in council.

We are confident that, if this legislation is passed, the Three Rivers and Nicolet area will be provided with a highly modern bridge that will facilitate the heavy traffic which, especially in the summer months, goes through that area which is at the very heart of Quebec and, in addition, is one of the finest of the province.

Three Rivers is half way between Montreal and Quebec city on the north shore, while Nicolet is half way between Montreal and Quebec city on the south shore.

The Three Rivers harbour is increasingly important. It ranks fifth for the volume of shipping and the bridge will only serve to increase its traffic. In my opinion, the reasons I have given in the course of my explanation—I could give a thousand more if it were necessary—warrant the passing of the bill now before the house.

(*Text*):

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I understand that it is the intention here, as in the two previous cases, to adjourn the debate. May I move its adjournment?

On motion of Mr. Macdonnell the debate was adjourned.

DIVORCE BILLS

Mr. Speaker: There are several divorce bills on the order paper. Shall they all be considered in the one motion?

Some hon. Members: Agreed.

Mr. Nicholson: Mr. Speaker, there are 36 divorce bills. I have some comments to make on 12 of them. I shall either make my comments now or as you call the bills individually, whatever is the pleasure of Your Honour and of the house. My remarks will be fairly short, but I am anxious to oblige you.

Mr. Speaker: Would the hon. member be good enough to indicate the number of the first bill to which he wishes to address some remarks?

Mr. Nicholson: Bill No. 308 is the first one, Mr. Speaker.

Mr. Speaker: Then let us deal with the second reading of Bills Nos. 303, 304, 305, 306 and 307.

SECOND READINGS—SENATE BILLS

Bill No. 303, for the relief of Dorothy Nesbitt Ward Pratt.—Mr. Henderson.

Bill No. 304, for the relief of Nichita Tomescu.—Mr. Henderson.

Bill No. 305, for the relief of Lilly Katoffsky Schwartz.—Mr. Henderson.

Bill No. 306, for the relief of Rita Beryl Gwendolyn Scott Darlington.—Mr. Henderson.

Bill No. 307, for the relief of Dorothy Christie Bradley Cunniam.—Mr. Henderson.

SAMUEL MARKS STIRLING

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 308, for the relief of Samuel Marks Stirling.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, now that Newfoundland is a province of Canada we have some additional problems which are brought to our attention. This divorce case is one that involves a petitioner who resides in the city of Montreal but the respondent lives in Corner Brook, Newfoundland. The evidence in this case indicates that one of the detectives who appears frequently in connection with these cases apparently had an interesting trip to Newfoundland. The divorce was granted on the evidence given by this detective who works for an agency known as the Reliable Detective Agency. He features here quite frequently. He made certain discoveries.

However, it is a little difficult to understand why the father of five children—the father lives in the city of Montreal while the children are in Newfoundland—is not more concerned about the welfare of his five children. If the information given by the detective is correct, it would appear to me that the father should have been quite concerned about leaving these five children in that sort of environment.

I do not wish to impose upon the house but I did not want this bill to pass without mentioning the fact that one party lives in Montreal and the other in Newfoundland, and that this fact poses some new problems for us.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

SHIRLEY ANN JOSS LE BOEUF

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 311, for the relief of Shirley Ann Joss Le Boeuf.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, Bills 311, 312, 313 and 314 are of a similar nature and if it would accommodate the house I would be glad to make all my remarks on these four at this time. I think it would probably save a few minutes. All the bills I have mentioned are going through by a new streamlined process that is interesting.

In this case before us it would seem unnecessary to engage detectives. Those who read the evidence find that the two housewives who came there really gave as satisfactory evidence as the detectives who sometimes get their stories twisted. Here the respondent also came. It now appears to be quite a simple matter, if both parties are agreed that the divorce should be granted, and if both will come and tell the truth and indicate that there is no collusion but that they are not living together and they do not forgive one another. If it is impossible to repair the damage, then the divorce can be granted.

The chairman of the committee, His Honour Senator Roebuck, thought to begin with that the petition was inadequate. He said it was utterly unfair to the respondent because it did not tell him when he was accused of the offence, nor how, nor where, nor anything else. Under the circumstances, when the respondent was there to establish the fact that everything that was charged was true, there was not much argument.

In so far as Bill No. 312 is concerned, the co-respondent appeared and the respondent also appeared. The respondent indicated that he just got tired of living with the woman he had undertaken to support for better or for worse, and then he started living with another woman. By the time the case was heard apparently two children were born. The mother of the two children appeared and admitted that she was the mother and the respondent was the father. They were living happily together, and apparently if this divorce is approved it will be possible for the respondent and the mother of these two children to become married.

[Mr. Nicholson.]

Bill No. 313 is also concerned with a similar case in which there were not any hired detectives. The respondent appeared in person. There has been a good deal of travelling involved in connection with this particular case, but it would appear as if the respondent got tired of living with his wife and started living with someone else.

The same is true with respect to Bill No. 314. There were no paid detectives in that case. In connection with Bill No. 317, His Honour Senator Gershaw tried to find out what seemed to have been the trouble in this particular case. Here you had both the petitioner and the respondent appearing and judging by the evidence they were both quite intelligent, bright young people. His Honour Senator Gershaw asked:

> Q. Tell me something more. You are young, your wife is young. Why could you not get along together? What was the trouble between you?
>
> A. I cannot continue to live with her after what she did to me.
>
> Q. But that was before. How did you get along together from 1952 to June 1954, were you quarrelling?
>
> A. We were quarrelling because I knew about—

Mr. So and So. Bill No. 322 is another case in which there was no paid detective. Bill No. 327 is concerned with a rather unusual case. Again, the petitioner did not appear. The petitioner is living in Sweden. This couple apparently were married in England and the respondent is living with another woman and has been living with this other woman for some time. Last year he travelled to Sweden to see the petitioner in this particular case. It does not come out in the evidence what the discussion was all about, but she has proceeded to petition the Senate and the House of Commons to grant a divorce. The respondent very obligingly came along and his lady friend also came along, and she established the fact that she had been living with the respondent. I would gather that when this divorce is granted they too will be married and I hope they will be able to live happily, more happily than this man lived with his first wife.

Similar comments might be made on Bills 334 and 337. In summing up, I think there is a trend away from the hired detectives, which is to be commended. I think there would be people who could find some of their neighbours who are familiar with the problem to come here and tell a straight story so we would get away from the fabrication of evidence which was so apparent in many of the cases which previously came to us.

I am not asking for a recorded vote on any of these bills, but I think we should pause here to commend the new trend where the evidence is provided by the correspondent.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

SECOND READINGS—SENATE BILLS

Bill No. 309, for the relief of Violet Ethel Stanway Sharpe.—Mr. Henderson.

Bill No. 310, for the relief of Elizabeth June Robertson Fraser.—Mr. Henderson.

Bill No. 312, for the relief of Marguerite Catherine Evans Macfarlane.—Mr. Henderson.

Bill No. 313, for the relief of Agniete Stravinskaite Paskevicius.—Mr. Henderson.

Bill 314, for the relief of Joseph Marc Bernard Levesque.—Mr. Henderson.

Bill No. 315, for the relief of Kenneth Wilfred Morgan.—Mr. Henderson.

Bill No. 316, for the relief of Mary Helen Norah Whelehan Gondos.—Mr. Henderson.

Bill No. 317, for the relief of Roger Paul Rene Hilaire Varnier.—Mr. Henderson.

Bill No. 318, for the relief of Sarah Abramovsky Gordon.—Mr. Henderson.

Bill No. 319, for the relief of Ruth Shirley Churchill O'Neill.—Mr. Henderson.

Bill No. 320, for the relief of Edgar Ferland Theoret.—Mr. Henderson.

Bill No. 321, for the relief of Therese Laure Turgeon Garson.—Mr. Henderson.

Bill No. 322, for the relief of Marie Jeannine Lucette Poirier Legault.—Mr. Henderson.

Bill No. 323, for the relief of Marie Rose Therese Allain Gauvin.—Mr. Henderson.

Bill No. 324, for the relief of Marie Therese Murielle Audelin Blemur.—Mr. Henderson.

Bill No. 325, for the relief of Frantisek Horsky, otherwise known as Francis Horsky. —Mr. Henderson.

Bill No. 326, for the relief of Anne Campbell Hogwood.—Mr. Henderson.

Bill No. 327, for the relief of Maud Virginia af Ugglas Marchant.—Mr. Henderson.

Bill No. 328, for the relief of Annie Eva Lewin Sutcliffe.—Mr. Henderson.

Bill No. 329, for the relief of Vanda Vainoraite Lebedziunas.—Mr. Henderson.

Bill No. 330, for the relief of Ivy Hutchcraft Fawcett.—Mr. Henderson.

Bill No. 331, for the relief of Charles Edouard Racicot.—Mr. Henderson.

Bill No. 332, for the relief of Jeanine Yvonne Pinatel Wells.—Mr. Henderson.

Bill No. 333, for the relief of Georgina Mary Elizabeth Forcade Sheehan.—Mr. Henderson.

Bill No. 334, for the relief of Bridget Ann Hamilton Limoges.—Mr. Henderson.

Bill No. 335, for the relief of Mildred Jane Clendenning Dephoure.—Mr. Henderson.

Bill No. 336, for the relief of Elizabeth Marie Hartwig Bensinger.—Mr. Henderson.

Bill No. 337, for the relief of Beatrice Mary Lucretia Glassco Bishop.—Mr. Henderson.

Bill No. 338, for the relief of Marie Therese Justine Georgette Spinard Migneault.—Mr. Henderson.

Bill No. 339, for the relief of Vera Florence Gilson Shehyn.—Mr. Henderson.

CANADA ELECTIONS ACT

AMENDMENT TO EXTEND HOURS OF POLLING

On the order:

Second reading of Bill No. 205, an act to amend the Canada Elections Act (hours of polling).—Mr. Noseworthy.

Mr. Knowles: I ask unanimous consent of the house to have my name substituted for that of the original sponsor of this bill so that I may move the second reading today.

Mr. Speaker: By leave Mr. Knowles moves, seconded by Mr. Nicholson, that his name be substituted for that of Mr. Noseworthy as sponsor of this bill. Is the motion agreed to?

Motion agreed to.

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. 205, to amend the Canada Elections Act (hours of polling).

He said: Mr. Speaker, I am grateful to the house for agreeing to the substitution of my name as the sponsor of this bill which was introduced and given first reading on Monday, March 19, by our late friend and colleague, Mr. J. W. Noseworthy. As hon. members will realize, the bill seeks to make a very simple change in the Canada Elections Act, but we feel it is one of those changes that are desirable. The proposal is simply that with respect to by-elections that happen to be called during the period of the year when daylight saving time is not in effect the polls should not close until seven o'clock in the evening.

The situation with regard to general elections seems to have taken care of itself so far as the problem raised by this bill is concerned. The reason I say that situation seems to have taken care of itself arises from the fact that six out of the last seven general elections in Canada have been held during the period when daylight saving time is normally in effect. There are in the papers once again today rumours about the next election.

As a matter of fact, rumours of that kind are quite common around here, and I think it is to be noted that everyone seems to expect the election to be held next year, and everyone expects that it will take place during the time of year when daylight saving time is in effect. In fact the general expectation now seems to be that it will take place on June 17, 1957.

However, may I point out what happens so far as general elections are concerned with respect to employees who are at work and have to take advantage of section 47 of the Canada Elections Act regarding time off for voting. Section 47 makes a slightly different provision than was in effect for quite a number of years. As hon. members will recall, the elections act used to provide that every employee had to be given two hours off on election day for purposes of voting. Many difficulties arose, difficulties of interpretation, as to what was meant by that two-hour clause. That ambiguity and uncertainty were cleared up to some extent when the provision was changed to read as it now does that every employee must have three clear hours during the time the polls are open in which he can vote.

It is clear from the provisions of section 47 now that if an employee has three consecutive hours of his own time during the period that the polls are open he does not get any time off work; but if he does not have three clear consecutive hours his employer has to give him whatever time is necessary so the total time he will be off while the polls are open adds up to three hours. Thus, if the polls close at six o'clock and an employee would normally get off work at five o'clock it is considered that he has one hour of his own time. The employer has to give him another two hours. If there are cases where the employee is at work during the whole of the period that the polls are open, of course he has to be given three consecutive hours by his employer. Any such time off has to be given without loss of pay.

Now, with general elections taking place during the period of the year when daylight saving time is in effect in most parts of Canada, the pattern is reasonably satisfactory. There are always complaints about these matters, but I think it is correct to say that the pattern is reasonably satisfactory in that during the period when daylight saving time is in effect the election is still run on standard time. Therefore the requirement that the polls close at six o'clock standard time turns out to be seven o'clock daylight saving time. Accordingly, that means that for most employees it is simply a matter of being let off, under the provisions of section 47, at four o'clock.

[Mr. Knowles.]

Now, there are a great many factories, shops and stores where five o'clock, or 4.30 o'clock, is the normal closing time. Perhaps five o'clock is more general than 4.30 o'clock but, at any rate, in the cases of shops and stores where the normal closing time is five o'clock all the employer has to do is let his employees go at four o'clock so those employees have the three clear hours between four o'clock and seven o'clock.

I suppose that in reciting this picture I am conscious of the fact that that is what obtains to a very large extent in my own constituency, indeed in the city of Winnipeg as a whole. For example, the railway shops which employ a large number of workers in the city of Winnipeg have accepted it now as pretty routine practice that on election day the shops close at four o'clock so that employees get the three full hours to which they are entitled by virtue of section 47 of the Canada Elections Act. Actually, the employer is giving his employees only a half hour or an hour, depending upon what time the particular shop is normally closed down; but at any rate, that pattern seems to have established itself and is reasonably satisfactory so far as general elections are concerned because of the fact that they usually take place when daylight saving time is in effect.

However, Mr. Speaker, when a by-election is called, particularly when a by-election is held during the winter season, during the period of the year when daylight saving time is not in effect, actually two problems arise. In the first place, since standard time is in effect it means that the polls do close at six o'clock instead of at seven o'clock. That means that if an employer is going to let his employees off in time to get the full three hours he has to let them off at three o'clock in order to meet the requirements of section 47.

Well, employers do not go around looking for ways to let employees off even for the exercise of the franchise; but it becomes a particular problem in by-elections, particularly when they take place in an urban area, because working in a plant or in a factory will be a few employees who live in the constituency where the by-election is held, whereas the majority of the employees probably live in other constituencies in that same area, and in those other constituencies a by-election is not being held. That applies particularly when a by-election is held in an urban area like Toronto, Montreal, Winnipeg or Vancouver. As a result of that situation employees are a little reluctant to ask for

time off when they know their fellow employees cannot make the same request, and employers put up a certain amount of resistance to it as well.

It seems to me, Mr. Speaker, that this problem could easily be solved if a provision such as is proposed in Bill No. 205 were written into the Canada Elections Act. The proposal is simply that during the period when daylight saving time is not in effect, in the case of a by-election, the polls should remain open until seven o'clock in the evening. If that were done then we would have the same situation that applies in most general elections. Section 47 could be met by letting employees off at four o'clock rather than having to let them off at three o'clock in the afternoon. To be sure, the employees would rather be off at three o'clock than at four o'clock, but the fact is that in by-elections they do not get off at all in many instances. Reluctance and resistance go together, and the result is that the rights granted under section 47 of the Canada Elections Act are not enjoyed by those voting in a by-election.

It might be argued by anyone who sought to oppose this bill that provisions such as these should be made to apply to general elections as well as by-elections. I would say, Mr. Speaker, if it were at all the rule for general elections to be held in the winter months the change should perhaps be made to apply to general elections as well as by-elections, but as I have already pointed out six out of the last seven general elections in this country have been held during the months when daylight saving time was in effect and the chances are the same will be the case for the next election year.

It might also be contended that in making special provision for a by-election one is paying too much attention to the exceptions rather than the rule, since after all the act is for general elections rather than by-elections. In answer to that I would point out that the Canada Elections Act already contains a number of special provisions that apply to by-elections but do not apply to general elections. One or two occur to me immediately. First of all, the period of time during which the enumerating takes place is two weeks shorter in the case of a by-election than it is in the case of a general election. Indeed, there are even some other provisions with regard to the lists of electors that apply to by-elections which are different from those which apply in the case of a general election.

There is also a special provision in the section of the act as to what would happen if the Monday chosen for an election turned out to be a holiday. In the case of a general election that holiday would have to be a national holiday before the result would be the putting off of the election until Tuesday, but in the case of a by-election regard is had as to whether the holiday is national or provincial in character.

I need not go into any further detail on that. I just mention those one or two things to point out that the act already contains a number of provisions that are exclusively for by-elections as distinct from general elections. Indeed, the definition section defines general election and it defines by-election, and there are differences running through the act. Therefore, Mr. Speaker, it seems to me it is not only a simple request but it is a very justifiable one. The suggestion that a change like this be made, as a matter of fact, has come out of the experience of certain by-elections that were held recently, when a number of employees found they could not get to the polls by six o'clock for the very reason I have given; namely, that it was difficult to get sufficient time off. In fact there were many people, so I am told, in one recent by-election who did not get to the polls because they had become accustomed to the idea of federal elections closing for all practical purposes at seven o'clock because of the fact that general elections are usually held when daylight saving time is in effect.

It seems to me, Mr. Speaker, that this is an extremely reasonable and sensible suggestion to put forward, and I hope it will be given consideration by the house. I remind hon. members again that when we are dealing with the Canada Elections Act we are dealing with something that is in a particular way not the property of the government nor even the property of parliament. In a particular way it is the property of the people of Canada. It seems to me that on as sensible and rational a basis as we can, we should make it an act that will make possible the fullest exercise of the franchise not only at general elections but at by-elections as well.

Therefore, Mr. Speaker, I have pleasure in commending the provisions of Bill No. 205 to the house.

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I have listened with great interest to the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles) in introducing this measure on behalf of the late Joseph Noseworthy, who was the original sponsor of this bill. I think I may take advantage of this opportunity to again express sincere sympathy on behalf of us all. When we heard during the last Easter recess of the death of the late Joseph Noseworthy a sense of great loss was felt by every hon. member of this house.

The fact that the hon. member for Winnipeg North Centre has accepted the sponsorship

of this bill is a further demonstration of his interest in the Canada Elections Act, because the hon. member already has on the order paper another bill which also provides suggested amendments to this act.

I must say first of all that I am in agreement with what the hon. member said at the conclusion of his remarks, namely that the Canada Elections Act is not the property of the government. It is a matter which belongs not only to parliament itself but to every hon. member of this house. For this reason I would think an amendment such as the one which is now being proposed, even if it is very simple, should first of all receive the attention of the members of the house in committee when the time comes for the committee on privileges and elections to meet and study the revision of the act. On the other hand, and I do not think I am mistaken in saying this, the subject matter of this amendment has never been discussed by the members of the committee on privileges and elections to my knowledge. Possibly it has not been discussed because it does not appear, to me at least, to be a necessary remedy.

Under the act as it now stands there is a very clear provision which applies both to general elections and by-elections. In section 47 to which my hon. friend referred are to be found both the obligation and the right of the employer and the employee. The section provides that three consecutive hours will be made available by the employer to the employee in order to exercise his right to vote. These hours must be consecutive. This applies to both general elections and by-elections. The section also provides that:

> . . . no employer shall make any deduction from the pay of any such employee nor impose upon or exact from him any penalty by reason of absence from his work during such consecutive hours.

In subsection 3 of section 47 is provided a penalty for the employer who does not allow the employee the benefit of three consecutive hours in which to exercise his right to vote.

I am afraid I did not understand very clearly the distinction the hon. member attempted to make between a general election and a by-election. It seems to me the fact that general elections have been held in the last four or five instances during that period of the year when daylight saving time is in effect is not a reason for making a distinction between the two. In other words the voter has as much right to vote in a by-election as he has in a general election, and the employer must carry out his duty in both cases.

To say that in urban districts it may be difficult in some cases for the employer to make these hours available to the employees to me is not enough to justify the amendment of the act to cover by-elections only. Surely the time elapsing between nomination day and polling day, a period of 14 days, should be sufficient for the employer and employee to discuss arrangements so the employee may be allowed time off as provided by the act in which to exercise his right to vote. A by-election in itself creates interest, and that should be enough to make the employer aware that among his employees there are one, two or possibly a greater number who have the right to vote and who should have time off. Arrangements can be made so the employee will have the benefit of the three consecutive hours provided by the act.

It is the duty of the employee who wants to vote to see to it that he is given the necessary time in which to exercise his right to vote. I do not think my hon. friend will contradict me on that. If the employee does not make the necessary arrangements with his employer, if he does not want to take advantage of the fact that he is entitled to three hours and that the employer must make those hours available to him, I do not think he will exercise his right to vote simply because the act is amended to give him an additional hour on polling day.

Mr. T. S. Barnett (Comox-Alberni): What about the situation where 25 per cent of the employees in a certain plant are entitled to vote in a by-election and the remaining 75 per cent are not? The act is quite clear that the 25 per cent must be given the right to vote, but is it not so that the 75 per cent would have no protection under the act? The employer might decide that as 25 per cent of his employees were going to be away for part of the day he might just as well close down his plant, and the 75 per cent of the employees would lose a certain amount of pay and would have no recourse under the act.

Mr. Pinard: My hon. friend has given an example. In a general election 100 per cent of the employees would most likely have the right to vote and the employer must make it possible for them to vote on polling day. Under such conditions he makes arrangements so there will not be too great a disruption in his operations. He arranges for his employees to go and vote without disrupting the whole operation.

To my mind the extending of the period by one hour in the case of by-elections will not create any more interest on the part of the employer or employee. If the employee is not convinced that he should exercise his right to vote, I do not think that giving him another hour on polling day will change his mind.

Mr. Barnett: That may be quite true, but would the minister not agree that if an employee knew that by exercising his right

to vote his pal Jim or Bill might lose three hour's time he might decide not to vote?

Mr. Pinard: I do not think that consideration is strong enough to warrant an amendment of the elections act. In any event I submit that this should be submitted to study by members of parliament in a committee. When the committee sat last year on the revision of the act it would have been an excellent time to have brought up this matter. I do not say that I am absolutely opposed to the amendment, but I submit there should be no distinction made between a general election and a by-election.

Mr. Knowles: Does the minister not realize that that is precisely where there may be a distinction? We want the polls to close at seven o'clock in by-elections just as they do in general elections. The effect of the law is to make a distinction. When by-elections are held in the wintertime the polls close at six o'clock, but in the case of general elections they usually close at seven o'clock.

Mr. Pinard: My hon. friend is basing his statement on the assumption that general elections will always be held when daylight saving time is in operation, but a general election might be held in the wintertime and then we would have amended the act to cover by-elections only and would find ourselves faced with the situation where in a general election you would have the same inconvenience, if the inconvenience exists. In other words, I submit that both general elections and by-elections should be covered. However, I do not say that should be done, because I feel that it would not create any interest for an employee who had decided not to vote by merely extending the time for voting by one hour.

On motion of Mr. Pinard the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: On Monday we shall continue with the pipe-line discussion and any other second readings we may have time for.

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

HOUSE OF COMMONS

Monday, May 21, 1956

The house met at 2.30 p.m.

HER MAJESTY THE QUEEN

TRIBUTE ON OCCASION OF CELEBRATION OF BIRTHDAY

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, today Canadians in every part of this land are celebrating officially the birthday of our gracious sovereign, Queen Elizabeth.

As members of this house we will, as in other years, be demonstrating our devotion to Her Majesty by carrying out our duties as the representatives of Her Majesty's Canadian subjects and giving our attention to the public business of the nation.

However, before proceeding to the business of the day, the Leader of the Opposition (Mr. Drew) and I would like to suggest, with your permission, Mr. Speaker, that we all stand and sing together the first verse of "God Save the Queen".

Whereupon the members of the house rose and sang

God Save the Queen

BUSINESS OF THE HOUSE

PIPE LINES—NOTICE OF MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I wish to give notice, pursuant to standing order 33, that at the next sitting of the house, immediately before the order of the day is called for resuming the debate on the motion for the second reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and on any amendments thereto, I will move that the said debate shall not be further adjourned.

Mr. Fleming: Shame.

Mr. Drew: The gag again.

Mr. Fleming: Why don't you do away with parliament entirely?

Mr. Knowles: What a way to honour the Queen!

MOTION FOR PAPERS

LOW LEVEL BRIDGE, BURLINGTON, ONT.

Motion No. 80—**Mr. Lennard:**

For a copy of the original agreement with the province of Ontario or other authorities regarding the maintenance of a low level vehicle and pedestrian bridge over the Burlington channel.

Hon. Robert H. Winters (Minister of Public Works): To my knowledge, there was no written agreement. The only undertakings were oral, as set forth in the correspondence tabled in the house and as indicated in *Votes and Proceedings* for Thursday, May 17.

Mr. Lennard: No, Mr. Speaker, I have reference to the original agreement, which might have been 60 or 70 years ago. I refer to the original agreement relating to the original bridge that was built over the Burlington channel.

Motion agreed to.

EXTERNAL AFFAIRS

UNITED STATES INVESTMENT IN CANADA—STATEMENT BY MINISTER OF COMMONWEALTH RELATIONS

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): Has the attention of the Secretary of State for External Affairs been drawn to the report of a speech by the Earl of Home, the Secretary of State for Commonwealth Relations, regarding United States investments in Canada and would he not consider, in view of the circumstances now existing in Canada, this to be an intrusion into Canadian domestic discussions?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, my attention has been drawn to the statement in question. It was made, not as part of a speech but as an answer to a question at a press conference. I think my hon. friend attaches too serious an importance to the statement in question.

INQUIRY AS TO SALE OF FIGHTER AIRCRAFT TO COLOMBIA

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Prime Minister the following question. Has

the government given consideration to and approval of the sale of six super jet fighter aircraft to the republic of Colombia?

Right Hon. L. S. St. Laurent (Prime Minister): Yes. When I saw the short note in the newspapers I anticipated that there might be a question about it and I obtained the precise information. An application was received from the Canadair Company for the export of six F-86 aircraft and spare or maintenance parts to Colombia as part of an arrangement which the company was making with that country for supplying and servicing such military aircraft.

This application was examined very carefully in the light of the situation in the area and in the light of the policies of other countries toward the export of this type of aircraft to South America. It was considered by cabinet and approved on March 22, 1956. Export permits were then issued covering six F-86 aircraft at a value of $2,086,540, and parts valued at $1,095,620.

VISIT OF THE PRESIDENT OF INDONESIA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Can the minister give us any information with respect to the visit to this country of the president of Indonesia which has been referred to recently in the press? I should like to know when he is coming, what parts of Canada he will visit and so on.

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the president of Indonesia will be visiting Canada, I think next week, where I know he will be most warmly welcomed. A program is being prepared covering his visit to this country which will be made public within a day or two.

FINANCE

INQUIRY AS TO INTRODUCTION OF NEW SUCCESSION DUTIES ACT

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Finance if it is the intention of the government to introduce a new succession duties act at this session?

Hon. W. E. Harris (Minister of Finance): I am hopeful that we can introduce a new succession duties act, but it would depend on the length of the session whether we can pass it at this time.

[Mr. Churchill.]

ST. LAWRENCE SEAWAY

DATE OF COMPLETION—INQUIRY AS TO AGREEMENT WITH UNITED STATES

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to the Minister of Transport. Was there an agreement between the United States and Canada as to a definite date for the completion of the seaway? My question is based on an article in the London *Free Press* to the effect that the United States would not complete the Detroit channel until June, 1962.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I know of no agreement between the United States and Canada setting a definite date for the completion of the seaway. I did not quite catch the second part of the hon. gentleman's question. If he would repeat it, perhaps I could deal with it.

Mr. White (Middlesex East): My question was based on an article in the London *Free Press* stating that the United States would not complete their part of the Detroit river channel until June, 1962.

Mr. Marler: Mr. Speaker, the answer is that the Detroit river channel does not form part of the works being undertaken as the seaway project.

TRADE

INQUIRY AS TO EXPORTS OF WHEAT AND FLOUR

On the orders of the day:

Mr. G. H. Castleden (Yorkton): Can the Minister of Trade and Commerce give an explanation to the house of the situation regarding Canada's exports of wheat and flour for the first eight months of the present crop year in view of statistics which indicate that Canada's exports are the lowest in a five-year period and that our share of the world's markets continues to decline?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, the explanation is that our sales for the first 3½ months of this crop year were at a very low level indeed. I made a statement in western Canada indicating that confidence in North American prices had been destroyed and that buyers were holding off their purchases. Along about the middle of November buying commenced and sales at this time are considerably ahead of sales at this time last year. Shipments picked up during the winter months. We had a record movement from the maritime ports and very close to a record movement from Pacific ports in that period. But, as hon. members know, Canada is not well equipped to move export grain when the St. Lawrence

and Hudson bay are closed. All we can do is work to the capacity of our winter ports. I am told that there are boats now waiting for berths on both coasts, and I look for very heavy shipments from our ports during the remainder of this crop year. I can assure my hon. friend that over-all clearances of wheat from Canada during this crop year will be greatly in excess of the record of the past two years.

PRIVILEGE

MR. SCHNEIDER—REFERENCE TO CARTOON IN "GLOBE AND MAIL" OF MAY 18

On the orders of the day:

Mr. N. C. Schneider (Waterloo North): Mr. Speaker, rising on a question of privilege I wish to register a protest against this cartoon in the *Globe and Mail* of Friday, May 18, which depicts our beloved peace tower as a guillotine with biased knife falling toward the war memorial chamber with its revered book of remembrance.

Quoting from Canada's national capital series book, we read:

> Here, embodied in stone, is the spirit of the Canadian people. Here Canadians may pay tribute to the service, sacrifice and achievements of their countrymen of the first great war.

The peace tower is a national shrine.

My question of privilege is this: Is nothing sacred to cartoonist Reidford in expressing his dislike of everything pertaining to this duly elected government of Canada?

This cartoon is a sacrilege, and I quote from the table dictionary:

> Sacrilege. Robbery or profanation of sacred building, outrage on consecrated person or thing, violation of what is sacred.

I protest this cartoon, which is not only in very bad taste, but it will also defeat efforts such as the Rotary adventure in citizenship which promotes respect and reverence in our children for the national capital and particularly our beloved peace tower.

Mr. Drew: Perhaps, Mr. Speaker, it might have been well if the hon. member who has just spoken had added: "Is nothing sacred for this government?"

NATIONAL DEFENCE

REQUEST FOR STATEMENT ON RECENT AIR ACCIDENTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the absence of the minister, may I direct a question to the parliamentary assistant to the Minister of National Defence. Has the parliamentary assistant any statement to make to the house concerning the two regrettable air accidents over the week end in which the R.C.A.F. was involved?

Mr. Paul Hellyer (Parliamentary Assistant to the Minister of National Defence): I have no statement, Mr. Speaker.

COMBINES INVESTIGATION ACT

BRITISH COLUMBIA—INQUIRY INTO FISHERMEN'S UNION

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Justice in the absence of his colleague the Minister of Labour (Mr. Gregg).

Has the attention of the minister been drawn by his colleague to some correspondence which he received from the united fishermen and allied workers' union of British Columbia in connection with the launching of the inquiry under the Combines Investigation Act which affects that union organization? If so, could he give the house a statement on the matter?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, my hon. friend did not give me notice of his question, but like the Prime Minister (Mr. St. Laurent) I anticipated that this type of question might be asked and I accordingly made inquiries and would reply as follows.

The general rule is that no information is given out as to whether or not an inquiry is being pursued in a particular industry unless and until a report is made to the minister by the restrictive trade practices commission and duly published. In this particular case, the parties themselves appear to have made public the fact that there is an inquiry and, in any event, it has been made public by the fact that some of the parties have sought an injunction in the supreme court of British Columbia to restrain the inquiry upon the ground that section 4 of the Combines Investigation Act applies and have sought a declaration that it does apply. Section 4 provides that:

> Nothing in this act shall be construed to apply to combinations of workmen or employees for their own reasonable protection as such workmen or employees.

If on the facts of this matter section 4 does apply, then, of course, there is no contravention of the Combines Investigation Act.

The purpose of the inquiry, which was commenced as a result of a formal complaint under section 7 of the act, is to ascertain whether fish prices are being fixed and the liberties of fishermen are being interfered with by arrangements amongst persons who

are not covered by section 4 or in a manner that is not sanctioned by section 4. There is no intention to interfere in the proper activities of any trade union.

In view of all the circumstances, including particularly the court actions that are pending, I believe that is all I should say for the present time.

REDISTRIBUTION

REQUEST FOR CALLING OF COMMITTEE ON PRIVILEGES AND ELECTIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the hon. member for Northumberland-Miramichi (Mr. McWilliam). When is it intended to convene—

Some hon. Members: Order.

An hon. Member: Read your rule book.

An hon. Member: You read it.

Mr. Knowles: When is it intended to convene a meeting of the committee on privileges and elections to deal with the subject of redistribution according to the understanding reached in the committee last year?

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, as yet the report dealing with information as to what systems are in use in other commonwealth countries has not been tabled with the committee. There is also another matter. There has been a great deal of what I might describe as criticism about the number of committees now sitting and I hear nothing but protests to the effect there are so many committees sitting now that hon. members cannot attend. However, Mr. Speaker, I am sure the committee is conscious of this important work and I think at the very earliest opportunity the matter will be brought up and dealt with in the committee.

Mr. Knowles: Mr. Speaker, may I ask the Secretary of State—

Hon. Roch Pinard (Secretary of State): Mr. Speaker, I wish to add for the benefit of the hon. member for Winnipeg North Centre that the report which is being prepared at the moment on procedure followed in other commonwealth countries is not completed yet.

INQUIRY FOR RETURN

MAPLE SYRUP PAIL SUBSIDY

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I wonder if the Minister of Finance would be good enough to let me know when I may expect an answer to question No. 283, which I placed on the order paper on March 9.

Hon. W. E. Harris (Minister of Finance): Certainly.

WATER RESOURCES

REFERENCE TO DIVERSION FROM ALBANY RIVER BASIN

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I should like to inquire of the Secretary of State for External Affairs when I may expect an answer to the question which I asked regarding a suggested diversion of water from northern Ontario to the great lakes system.

Hon. L. B. Pearson (Secretary of State for External Affairs): The answer confirms the opinion I stated at that time that no representations on this matter had been received.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Friday, May 18, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. H. A. Hosking (Wellington South): Mr. Speaker, when at five o'clock on Friday the house went to the consideration of private and public bills I was referring to the remarks about closure which had been made in the house. They were much the same as we heard today, such as the axe has fallen, the guillotine, and the end of free speech. During the debate we have heard remarks such as destroying parliament, hanging parliament, the rights of parliament being taken away and muzzling the representatives of the people. I mention these remarks because I submit that the interest which has been taken in this debate and which has been shown by spectators in the gallery since closure was announced last week has indicated that we have had a better parliament during this time than has been the case for some time. I should like to compare the coverage given by the press to the introduction of closure with the coverage given to some of the actions which have taken place in this house and which were more likely to destroy parliament

than anything the government has done. I do not think the refusal of the Leader of the Opposition (Mr. Drew) to withdraw at the request of the Deputy Speaker a statement which he had made is the type of thing that would create confidence in parliament.

Mr. Fleming: Order.

Mr. Hosking: And on the following Tuesday we had another example—

Mr. Fleming: Mr. Speaker, the hon. member is dealing with something which came before the house last week in connection with a point of order. This point of order was dealt with at the time and now the hon. member is referring to it again.

Some hon. Members: Oh, oh.

Mr. Fleming: Once a point of order is dealt with, it is dealt with. This point of order was dealt with last week and the hon. member wants to go over it again.

Mr. Speaker: As the hon. member knows, I was conversing with an hon. member of the house and did not hear what the hon. member for Wellington South said. According to what the hon. member for Eglinton tells me, the hon. member for Wellington South was dealing with a point of order which had been ruled on last week.

An hon. Member: No.

Mr. Speaker: Would the hon. member for Wellington South be good enough to tell me with what he is dealing at the moment?

Mr. Hosking: I was comparing the remarks made by the opposition about parliament being destroyed by the action of closure with the action of the Leader of the Opposition in refusing to comply with the request of the Deputy Speaker. That bad example which he set was followed by the hon. member for Kamloops who did exactly the same thing, who was supported by the hon. member for Winnipeg North Centre (Mr. Knowles) and the leader of the C.C.F. party.

Mr. Fulton: It is so ridiculous, don't bother about it.

Mr. Speaker: May I join in now and tell the hon. member for Wellington South that these points that have been brought up on earlier occasions have been the subject of rulings at the time, rulings which I believe were appealed and dealt with by the house? Whilst they might have been dealt with in a different manner, I do not recall exactly what has taken place, because I take only whatever takes place in committee of the whole at the very far end, but I should imagine that speeches should be relevant to the second reading of this bill and that we would all do well to address our remarks not to several episodes relating to order which might have taken place before but to the second reading of this bill.

Mr. Hosking: I was only comparing the methods of destroying parliament. One is, as the opposition say, by our bringing closure, which has created this interesting debate to which we have listened for the past week; and the other is their behaviour in defying the Speaker of the House of Commons.

Some hon. Members: Order.

Mr. Hosking: It is quite in order. I know the hon. gentlemen do not like it, but it is true. In my opinion their behaviour does more to destroy parliament than anything else.

Mr. Speaker: I take it that the hon. member will now address his remarks to the second reading of this bill.

Mr. Hosking: I shall be pleased to do that, Mr. Speaker.

Mr. Fleming: Perhaps he will try to be a little less silly.

Mr. Hosking: This is probably one of the most important bills that will come before this house in my lifetime, unless we happen to have the misfortune to be engaged in another war. I believe that the building of this pipe line will do more for Canada in the next 20 years than any other thing we could propose. In making this statement, I should like to substantiate it by quoting a few figures regarding the power shortage which likely is to occur in the province of Ontario and which presently is being felt in the province of Quebec.

Some of my good friends in the province of Quebec tell me that the second thousand kilowatt hours of power in that province, for the first time, costs more today than the first thousand. It has been a standard practice, both in Ontario and in Quebec, to set hydro rates at a certain amount for the first thousand kilowatt hours and at a cheaper rate for the second, and possibly at a still cheaper rate for the third thousand kilowatt hours. In order to conserve power in the province of Quebec, they have now raised the rates on the second thousand. This is a very effective way of saving power in a power-short province.

The province of Ontario has a very similar situation. We have had large increases from our hydraulic power, and also from thermal power, but it would be wise to look at future developments in the province of Ontario. I should like to point out that 25 per cent of

the province of Ontario is below 500 feet in elevation. As we know, when we are using our water energy to develop power, we collect the rain that falls and pass it over elevations and through water wheels to produce electric energy. So, when we have a very flat province such as we have in Ontario, with 25 per cent of this area below 500 feet, 67 per cent of it below 1,000 feet, and 100 per cent of it below 2,000 feet, we have developed at Niagara and various other falls most of the available hydroelectric energy.

When you look at the province of Ontario on a map and see that the great lakes system forms almost one side of that province and that the drop in elevation from the westerly tip of lake Superior to the easterly tip of lake Huron and Georgian bay is only 21 feet, you can see that the production of electric energy from the fall in that length is almost impossible. From lake Huron to lake St. Clair we have a drop of only six feet, and from lake St. Clair to lake Erie we have a drop of three feet. This means that the whole side of the province of Ontario is practically level and that our hydroelectric potential from that part of the province is nil. Then we have in Ontario, between lake Ontario and lake Erie, a drop of 326 feet. This is where we produce most of the hydroelectric energy in the province of Ontario. From lake Ontario down the St. Lawrence—and we are going to develop some hydroelectric energy—there is a fall of 246 feet. We are told that, before the energy which we shall derive from the development of the St. Lawrence seaway is ready to be used, the available electrical energy in the province of Ontario will be consumed.

This pipe line which is going to carry gas from Alberta, and which the province of Alberta is anxious to have used in a useful way, will carry nine times the energy of the hydroelectric development at Niagara falls. It is true that some three times the energy developed at Niagara falls will be siphoned off to the United States. But again I should like to mention the fact that when the hydroelectric energy was developed at Niagara falls, a proportion of that energy had to be supplied to the United States. I recall just a week ago looking at my television set and finding that, as the voltage dropped during that storm, the pictures disappeared but you could still hear the voices. We were watching a program from Buffalo and the announcer said, "Something has happened to our supply of electrical energy but as soon as it is resumed your picture will be returned". This incident indicated to me that Buffalo was receiving energy from the same source as that from which I was receiving it. In other words, they were receiving power from Niagara falls. So when we ship some gas to the United States, we are doing exactly the same as was done when hydroelectric power was developed years ago at Niagara falls. In order to make that development economical, it was necessary to sell to the market in the United States which was available. Hence this bill has the same principle; we propose to sell 200 million cubic feet of gas to the United States.

This source of power is something that the province of Ontario and the province of Quebec require. We require it for the good reason that our records tell us that there is a total of 5,407,000 horsepower of electrical energy available in the province of Ontario at mean minimum flow. The equipment installed to develop electrical energy in the province of Ontario, is 4,006,668 horsepower. In other words, we are prepared to take advantage of three-quarters of the available power that we can produce from our water resources in the province of Ontario. When the total is used the province of Ontario will be a power-starved province.

We need only look at the situation of the people in the province of Ontario and Quebec in order to see that the people have found jobs and have chosen a place to live where cheap power was available. We have in the north country—and I spent some eight years in Kirkland Lake—an area known as the golden mile. I think possibly God gave more riches to that golden mile in Kirkland Lake than to any other mile in the Dominion of Canada. However, there are only some 23,000 people there. Then we go down to Sudbury, and we see that tremendous asset that Sudbury has in nickel. Yet it has attracted very few people to the area of Sudbury. Then when you go to Noranda, you see the tremendous quantities of copper and other minerals there. Yet the population in those centres that I have spoken about is very small compared with the population in the southern part of Ontario and in those parts of Quebec where power is available. So I want to point out just how necessary it is that we bring to Ontario and Quebec six times the available power which we derive from Niagara falls.

It was not to assist our government that Premier Frost has supported the building of this pipe line. Neither was it to hurt the Conservative party in the federal house that Premier Frost has offered to assist in the building of this line. It is in order to benefit the people of the province of Ontario that he has taken his stand that it is necessary to get on with the job and build this pipe line. I should like to point out to the house,

through you, Mr. Speaker, that every Liberal member from the province of Ontario was here a week ago when this debate was taking place on this bill, and that every cabinet minister was in his seat during this debate and during the votes. That fact should indicate to the house and to the people just how important the Liberal members and the government think this bill is when it requires each and every one of them from our province to be in the house.

About the power which we shall derive from the pipe line there is another thing that has not been mentioned in the house and it is one of the reasons why there is some urgency in building this line. Gas is different from electricity. If we build a power plant at some waterfall, the minute that the power is available from the generators you could connect it into the grid system and it would be ready for use. But gas is not one of those types of power. In order to build up a market for gas the individual houses that heat their water with electricity will have installed in them a different type of unit to heat the water. This means that the owners of the present houses, with their electric water heaters, will continue to heat their water in their houses with electrical power. But in the new houses or in the new buildings, when gas is available—because it will be cheaper—you will find those houses and buildings being equipped with gas water heaters and in a great many cases the cook stoves will be gas cook stoves. Hence it is going to take a considerable length of time to take advantage of the power which this gas line is going to supply.

It will not mean a quick change in industry. Many of the electric furnaces in the industries in this country will continue to operate with electrical energy after they have this gas power at their door. But over the years, when their electrical equipment wears out or becomes obsolete, it will be replaced by gas burners. It will take several years for this pipe line to lift the load which hydro is carrying and which in five or six years' time will be too great for hydro to handle unless it is augmented by a source of energy such as this. Hence, Mr. Speaker, there is great urgency that this project should be got on with right away. It is with great respect that I pay a compliment to our Minister of Trade and Commerce (Mr. Howe) for the move which he has devised to see that the pipe which is now being formed in the fabricating plants of the steel mills is going to be put to its use in Canada.

It is easy for a person who does not understand the problem to get a wrong impression. It takes about a month to change over a rolling mill from rolling shapes for I beams and channels to rolling flat plates and developing it into pipe. If this order at the rolling mills were cancelled so that it was necessary for the plant to change the equipment back, it would take them a month's time before they could change back again, then if the orders were renewed a whole season would be lost. You cannot afford to shut down a rolling mill and change it from rolling one shape to another at the whim of some inexperienced person who does not understand the cost of making such a change. It was, therefore, absolutely essential that if this pipe was going to be used this year some move had to be made to have the plant continue rolling it. Great credit should go to the Minister of Trade and Commerce (Mr. Howe) for this move.

Most people in this country realize that the Minister of Trade and Commerce has done many things very similar to this. I do not need to mention again T.C.A. and the Polymer plant as well as all the other plants that he has taken under his wing to ensure that the people of Canada would have what they required when it was needed. He did this during the war. I mentioned on Friday about the way he constructed these magnificent aeroplanes from wood which revolutionized the bombing of Germany. The Mosquito program of the Right Hon. C. D. Howe was known not only in Canada but all over the world. This planning of his to see that we do not lose the opportunity of getting the pipe laid from Calgary to Winnipeg this year is almost the direct equivalent of the development of the Mosquito bomber, the Polymer plant and Trans-Canada airways.

The city from which I happen to come has its own problem. We have a public utility there which sells gas developed from coal, but the plant is old and the city council will be deciding this year whether or not they should dispose of that public utility and sell the system to a free enterprise company. There are good reasons why the public utilities should be sold, but I am not going to give an opinion one way or the other. I am merely pointing out that in my city we have a public utility used for producing and distributing gas, and the government of the city is considering dispensing with that method of handling the gas situation in Guelph. For that reason, I would be very hesitant about recommending to any government that we should get into a public utility to handle gas. I should like to commend the minister for trying to devise a method of having free enterprise build this gas line, so the government of Canada will not be

in the same position, in a much larger way, in which my city is, with all the problems and difficulties that they have and know about.

Before I leave that aspect I would like to say that the city of Guelph is most anxious that they get this gas from Alberta just as soon as possible so that they will not have to spend $200,000 in replacing the plant which is just about worn out. They have been watching anxiously for the time when they would be able to tap into this source of energy which the people of Alberta are so anxious for us to have.

Now, I should like to make one other comparison, Mr. Speaker. We have had Ontario hydro held up as a good example of a public utility. I am not so sure that the engineers of this country are convinced that hydro has been such a good public utility. The Leader of the Opposition (Mr. Drew) started a program of which I approved, and that was converting the power in the province from 25 cycle to 60 cycle. This has been a very costly move. It has cost the people of Ontario more than it will cost to build the pipe line from Alberta to Montreal, but it was a necessary expenditure. I am not criticizing anyone for doing it. It is something that had to be done. I might criticize the way they are doing it and the extra money that is being spent in doing it, but still the taxpayers have to pay the bill, amounting to about $400 million.

The reason they have to pay this large amount of money is that the government of the day when hydro power was just started said they would have 25 cycle current. There was no real reason why we should have 25 cycle current, but they started with that and they continued to produce it in every new plant which was built until a few years ago.

If we had had free enterprise in Ontario with two companies developing power, one 25 cycle power and one 60 cycle power, there would have been no 25 cycle power sold in the province. It is very simple to understand why that would be so. A motor using 25 cycle current costs about one-third more than a motor that uses 60 cycle current. If we had had two companies under a free enterprise system, there just would not have been any 25 cycle current sold and the taxpayers of Ontario would not have needed to make an expenditure of some $400 million in Ontario to correct the mistake which the government made in producing 25 cycle current.

We have other examples of free enterprise versus government enterprise or public ownership. We find on looking at Saskatchewan and Alberta that Alberta, under a free enterprise system,—they are the most free enterprise government in Canada except for the Liberal government of the dominion—has boomed and grown. People have invested their money in that province because they knew it was a good place in which to invest their money. It was safe there. No one was going to take it over and take it away from them by turning it into a public utility. There were millions of dollars poured into Alberta to the advantage of the people who live in that province. Compare that with Saskatchewan where we have a socialistic government, and where no one would invest any money.

An hon. Member: Under the Liberals.

Mr. Hosking: No, I am not talking about when it was under the Liberals. Then, it was the best province in western Canada. We cannot say that today. Saskatchewan produced the most wheat under a Liberal government, and was the best province in the west under a Liberal government. Since I came to this house in 1949 we have had redistribution and the population of Saskatchewan has shrunk to such an extent that they lost five members. Compare that with the province of Alberta. There is only one reason why that is so, and that is the socialistic government of Saskatchewan. There were no oil companies moved into Saskatchewan because they had no assurance they would own the plant after they built it.

Mr. Ellis: Wait until June 20.

Mr. Hosking: You socialists have yourselves to thank for that. This is the province the representatives of which have to come down here with their hat in their hand and beg for relief, beg for support, and there is no other person responsible for that. God was just as good to your province as he was to Alberta, but it has not had the same management. During those years when there was a Liberal government in that province, it was the best province in western Canada.

Mr. Speaker: Order. Let us go back to the bill, now.

Mr. Hosking: I see my time is nearly up. Before I resume my seat I wish to mention two other things that happened in this debate. One was, we were accused of bringing in the resolution for the construction of the northern part of this pipe line, that part that runs from the Manitoba border to Kapuskasing, four months ago, and that since then we have just sat and waited and have done nothing. Now we bring in this bill

and are prepared to see that it goes through the house in some two weeks' time by using closure.

There is a very good reason for that. I do not think it is to the advantage of the members of the opposition to suggest that there is some sinister motive in bringing in this bill. During the past four months Trans-Canada Pipe Lines were striving to get a ruling from the federal power commission of the United States which would permit them to take some 200 million cubic feet of gas into the United States. During those four months they have made strenuous efforts in that regard. Had they been successful there would have been no need for this bill. Therefore, Mr. Speaker, there is a very good reason for the delay in bringing in this bill. It would not have been necessary had the federal power commission of the United States approved the import of 200 million cubic feet of gas from the province of Manitoba.

The four months' delay was a very sound piece of business. It is unfortunate that the federal power commission of the United States has not completed its report so that this pipe line could have been built without a loan. It is not assistance; it is a loan from this government.

The action of bringing in this bill has called from the opposition numerous requests for an election. To me this is a rather interesting venture on their part; first, because they have not done very well in elections; and secondly, we have been in power for only two years and nine months.

Mr. Fleming: The government has no mandate for what it is doing.

Mr. Hosking: This is not a very long time. I hear the hon. member for Eglinton passing some comment. I would just like to tell him that when he spoke—

Mr. Fleming: The government has no mandate for what it is doing.

Mr. Hosking: The government has no mandate for what it is doing?

Mr. Studer: Has the opposition a mandate for what it is doing to the Liberal government of the day?

Mr. Hosking: The Liberal government of the day has a mandate to do the right thing for this country at any time, and that is what it is doing.

Mr. Fleming: It is to laugh.

Mr. Hosking: I would just like to draw the hon. member's attention to the fact that when he spoke on this pipe line bill he never said one single thing about it except to deal with procedure and various rules and regulations and he made references to the guillotine and so forth. There was nothing directed constructively to the debate on the pipe line. He did not say whether we were doing right or wrong; he did not say a word about building the pipe line and he did not suggest any alternative method.

Mr. Studer: Why does the hon. member for Eglinton not resign?

Mr. Hosking: Mr. Speaker, there is just one thing I should like to suggest. When Trans-Canada Pipe Lines make their 51 per cent stock available to the Canadian people I would like through you, Mr. Speaker, to call the attention of the people of Canada who believe in free enterprise to the fact that this is their opportunity to save Canada as a free enterprise country. We have given to them the opportunity to invest their money in free enterprise, and this is a challenge by the government to them to protect free enterprise.

Mr. J. W. Murphy (Lambton West): Mr. Speaker, I appreciate very much the opportunity of taking part in this debate at this time just after the guillotine fell again today from an unexpected source, from an expert at throwing out the lifeline, as was evidenced last week on a couple of occasions. To have the motion come from him was rather astounding. Of course, he is the house leader. I am also going to remark on what was said recently. In the course of my remarks, Mr. Speaker, I hope to deal with some aspects of the situation that have not been fully covered. I come from western Ontario, where we have had gas for years.

Let me say at this time that it might be of interest to hon. members to know that, in the particular county from which I come, Petrolia is of historic importance. I remind hon. members at this time when so much is being said about gas and oil that it is in that area that oil was first discovered on this continent. Of course, we in southwestern Ontario have always been oil and gas conscious. It may surprise some hon. members to know—it will not surprise the hon. member for Lambton-Kent (Mr. MacKenzie) or the hon. member for Kent (Mr. Huffman)—that our counties are surrounded by lakes and rivers and several thousand acres of the water area of the rivers and of lakes Huron, St. Clair and Erie have been leased for the exploration of oil and gas and, incidentally, with some success because I noticed just recently that 19 wells have come in within the last few months in the water area. Those who have been to the west coast, of course, know that it is not unusual to see oil and gas wells in the ocean; but perhaps

in western Ontario it is unusual and I think rather exciting at the moment because it places us in the position where we do not know exactly where we stand. We have always had gas to a certain extent in that area but not enough to supply our requirements.

As I shall point out in a moment or two, we have been importing around 5½ billion cubic feet of natural gas per year, and we now have an application before the authorities to increase that to some 15½ billion cubic feet. I want to refer to that. I must comment on what was said by the last speaker when he rather lamented the fact that we and the press are criticizing the placing of closure on this legislation. He expressed the hope that the persuasive powers of the Minister of Trade and Commerce would brain wash the members of the press gallery. He may have brain washed his own members, but he certainly did not brain wash the members of the press gallery and certainly not the members of this party or of the C.C.F.

When the hon. member speaks about the gas used in his particular area for industrial purposes, I wonder whether he knows the rates that would be charged even in our area which would be one of the areas in Ontario which will receive a lower rate because we have had storage facilities in our area for a generation or two and we are able to get gas during the summer at a lower rate.

As a matter of fact, Mr. Speaker, I was a member of the committee that had before it the application of this company and other companies to obtain charters from this government to build pipe lines. It was an interesting experience, as I have again learned from reading over the evidence, and I am sure the same thing must have occurred to others who were on that committee. Perhaps we were a bit hasty. We received bland, blatant assurances from Mr. Schultz in connection with the gas companies and from the big banking houses from New York and engineers and others. We were told that all they needed to do was to get a charter from this government and they would build for Canada and for Canadians an all-Canadian pipe line which would be economical. They needed no help from the government. I express regret that we did not take more time on these applications. We should have inquired into many phases that we are now faced with in connection with the distribution and the cost of the gas to the consumer and the price paid to the producer. People of this country forget that in the distribution of gas in the United States the gas is piped through a pipe line, as is done in this country.

The price to the producer at the well head is a great deal more than it is in Canada and the price to the consumer in most cases is even a great deal less because they do not have the same length of pipe line as is proposed for Trans-Canada.

Mr. Speaker, we do not want to deceive ourselves in this house nor do we want to deceive the people of Canada with the figures that are being put on *Hansard* concerning throughput and the load factor and all that sort of thing. These are the very figures that deceive most people. We have an illustration where one accountant makes a statement which is denied by another speaker. It is a question of interpretation. Surely it is a question of the load factor, but one hon. member can get up and convince everyone that because of a certain load factor we will get gas at a certain price in one area and in another area a higher or lower price will be paid. For that reason we know perfectly well if the gas is to go south from Emerson to the steel mills in Chicago and the Minneapolis and St. Paul area they will get their gas at a much lower price than in Sault Ste. Marie, which is approximately the same distance from Winnipeg, Manitoba.

Why is this true? I am sure we will have an accountant speak on this subject before the debate is over. The amount of gas going to St. Paul and Minneapolis at 200 million cubic feet per day is a large throughput and they will be able to get gas at a lower price. Figures have already been put on the record which indicate the price is much lower than it is at Sault Ste. Marie. Notwithstanding what has been said, we are subsidizing United States industry which is probably producing the material we hope to produce in this country.

I want to refer to something which I think should be put on the record on this occasion. I am referring to a statement made by Mr. Schultz before the committee on railways, canals and telegraph lines and reported at page 45 of the evidence. Referring to an all-Canadian line Mr. Schultz said—and this was long before Western Pipe Lines merged with Trans-Canada. I think this is very important. Western Pipe Lines were granted a charter to go from Winnipeg to the south in the Minneapolis area, and Trans-Canada intends to go both ways. One reason there is so much opposition before the federal power commission is that Trans-Canada is raiding areas now serviced by opposition groups. Mr. Schultz said:

> Well, our experts have never claimed that we needed any help in doing this job. I would not contemplate that a project of such national importance should receive less treatment than the

set-up which interprovincial or any other important project has received in the way of sales tax and duty remissions. But even without that I do not think that we have to have it, because I think that we can make it work; and it all goes back to what we have always said: that this project would have three rough years, and that as we got a market built up, the project would be entirely economic and go along by itself.

A moment ago, Mr. Speaker, I referred to the price of gas at Minneapolis as compared with the price at Sault Ste. Marie. I think the figure I quoted should be emphasized but the important thing to our economy is that in this country we are endeavouring to build up our industries from infants to full-grown industries, and we should not be subsidizing any foreign industry of a similar nature through government policy. I think that is absolute folly and I am sure I am not the only one who holds that view.

I am going to refer for a moment to one of the most startling statements ever made in this house. The statement to which I refer was made last Friday by a minister of the crown. The Minister of Agriculture was speaking at that time and I am sorry he is not in his seat; however, *Hansard* speaks for itself. The minister was referring to closure at that time. I certainly want to put this on the record because I believe it will be a revelation to many people who perhaps overlooked it. This is it, as reported at page 4069 of *Hansard*:

They have used every possible device which the rules permit them to delay the bill. They have delayed estimates by talking—

I am going to speak about double talk here in a minute.

—they have prevented debate and have wasted time by calling a total of 15 votes within the last week. They have used every device the rules of the house permit to delay the passing of this measure. We are using the one device, and it is a device the Tories gave us in 1912, by making closure possible. They have used it four times; we may have to use it four times.

Listen to this:

They have compelled us to do this. We are simply using a rule they gave us to overcome their use of the rules. They could have discussed this matter for 15 days if they had not followed the procedure they have been following of avoiding discussing it at every opportunity they could. By using the rules of this house they have deprived themselves of the right to discuss the bill.

Imagine that coming from a minister of the crown in 1956.

Mr. Fleming: A minister of a fashion.

Mr. Murphy (Lambton West): Continuing, he said:

They have deprived themselves of the right to discuss a pipe line across this country.

I am asking you, Mr. Speaker, and every hon. member of this house, how low can some people get regarding the duties and functions of parliament? Never in my experience in this house have I heard such an expression coming from a minister of the crown and I hope no hon. member of this house will ever again hear such an asinine statement.

I am going to say what was said by your former leader at whose shrine you worship.

Mr. McIlraith: Tell us what he said.

Mr. Murphy (Lambton West): I hear the hon. member for Ottawa West and I have heard more intelligible noises from the cradle.

Mr. McIlraith: That is a great answer.

Mr. Dickey: How dignified you are.

Mr. Murphy (Lambton West): We have had closure on seven occasions and I hope some hon. members will put them all on record.

An hon. Member: All Tory.

Mr. Murphy (Lambton West): I am going to quote now what the Liberal leader said in connection with some of these debates. I want to do so now just in case the Prime Minister will extract himself from behind that wall of solitude and give us some of his ideas. He may have some respect for his former leader because, after all, it was his former leader who tapped him on the shoulder and said, "Now you are my heir".

Mr. Hellyer: Whose heir are you—Bridey Murphy's?

Mr. Murphy (Lambton West): The first occasion I want to refer to is August 30, 1917. Hon. George P. Graham was speaking on that occasion. Incidentally Mr. Graham was defeated in one of the Essex ridings about 1925, I think, and I was living there at the time. This is in connection with the 1917 closure which certain hon. members opposite know all about without my referring to it. I do not think they want me to discuss it to any great extent. Mr. Graham was noted for his expressions and he said:

Mr. Speaker, in the midst of this very serious discussion—

He was a member of the opposition at that time, of course, and was sitting on the opposition benches where the present government will be sitting if it still has any members after the next election.

—if one sits on this side of the house, one cannot but be really amused at the plight in which members on the government side have found themselves. Stringing up a beautiful rope with a noose on the end of it for the benefit of hon. members on this side, they find themselves dangling with their heels in the air at the end of their own rope.

This is the reference to closure, of course.

The minister of finance himself,—

Northern Ontario Pipe Line Corporation

In this case, of course, it is another minister.

An hon. Member: A Tory.

Mr. Murphy (Lambton West): I am sorry you do no follow what is being said.

—anxious to tell the world that he has jammed this measure through by use of the closure, finds himself gagged.

Mr. Graham went on to say that he did not accept the gag very gracefully and I do not think the Minister of Trade and Commerce would accept it any more gracefully. A year ago the Prime Minister (Mr. St. Laurent) bailed him out after he had gone fishing. This time he does not dare go fishing because of the likelihood of being bailed out again.

The amazing thing is that that was a Liberal member; and now we find Liberal members in full accord with what was then done. Since the capitulation by the government they have been just as enthusiastic about the other end. Mr. Graham continued:

He did not accept the gag very gracefully; it seemed to stick in his throat—

Maybe that could be applied to the Prime Minister now because we have not heard from him.

—but the gag was there, made by himself. It is not such a serious thing, you know, if you put up a good fight and are killed by somebody else, but it is a terrible thing to find yourself in such a state that you are committing suicide. The Minister of Finance, in his anxiety to prevent the rest of us from making a few observations, discovers all at once that he has fallen into his own trap and been caught. Perhaps next time he will be a little more careful and reasonable.

That was the statement made at that time by Hon. George Graham, and yet when that closure was applied it was weeks after the resolution had been introduced. But that is not so in this case. Before the minister sat down after introducing the resolution he moved closure. There is no precedent for that in Canadian history and I hope there will never be another one. Then I should like to quote what was said by a well known Liberal, the Hon. Rodolphe Lemieux on August 30, 1917, as reported on page 5185 of *Hansard*. Referring to closure he said:

This is nothing else but a raid, and it is because it is a raid perpetrated on the Canadian treasury, that it has to be done by closure. A raid must be made swiftly and sharply, it must be done in the dark, far from inquiries, far from the surveillance of the elect representatives of the people.

They do not want the newspapers of this country to quote what is going on in parliament. They would rather brainwash the people and brainwash their own members. They have been successful at that. I do not mean members of the press gallery, but their own members. I should like now to give a quotation which indicates the attitude of a former Liberal leader toward closure. I hope the government which is now forcing closure down our throats will listen to what a former leader (Mr. King) said, as reported on page 1617 of *Hansard* of April 1, 1932:

But what those of us on this side have strenuously opposed is the sanctioning of a course which torpedoes all that there is in the way of established parliamentary practice and procedure, and submarines the very constitution of our government.

And at page 1610 Mr. Mackenzie King is reported as follows:

I shall content myself therefore by saying that the action of the administrators at the present time reduces parliament in its most essential functions to a mere futility and a complete farce,—

That is what we have been saying.

—and that we of the opposition do not intend to lend ourselves to participation in any step of that kind.

And then at page 1627:

I want to make it perfectly clear again, Mr. Speaker, that the battle that has been put up in connection with this measure is not merely over the rights of minorities or the rights of majorities; it is true that it has to do with the rights of both; rights, which in the case of the majority no less than in that of the minority are threatened, it is concerned with the rights of something greater than either, namely, the rights of parliament and all that parliament stands for in a free country.

May I just comment on that. As far as we of this party are concerned, facing as we do the huge majority of the government in this house, we would rather be right and be in the minority than be wrong and be in the majority. Then on May 9, 1932, as reported on page 2719 of *Hansard*, Mr. King said:

Closure has a proper place with respect to measures which may be brought before parliament, namely, to see that a measure that is appropriately and properly before the house is not unduly obstructed.

Some hon. Members: Hear, hear.

Mr. Murphy (Lambton West): Yes, hear, hear. The brain-washed are at it again. Never in the history of our country have we been faced with such a procedure, and I hope that never again will any government have the audacity to bring in closure when introducing a resolution. I continue:

Closure has a proper place with respect to measures which may be brought before parliament, namely, to see that a measure that is appropriately and properly before the house is not unduly obstructed.

I repeat that observation for those who do not hear very well.

But the closure cannot properly be used to prevent a House of Commons from seeing that the constitution itself is not being undermined by

any measure that may be under consideration. It is because the most important of all the achievements under British government has been the final and complete control of the commons over all grants that it may make, over taxation, and the right and power of the commons to follow to the last degree the control of public expenditure, that we on this side feel so strongly about not parting with so fundamental a right even, as an exception, in connection with a measure which may relate itself to so important a question as the relief of unemployment.

There was not any hesitency of hon. members at that time to indicate their attitude and thinking on closure, but it would appear that at the moment there are some on the government benches who are captives of Trans-Canada. I should like now to refer briefly to something which has been referred to already by the hon. member for Calgary North (Mr. Harkness). Since he comes from the city of Calgary, I was glad to have him place on the record the thinking of the press in Calgary. I think that was most important because those people do not have any stock, probably such as you and I have, in oil ventures that do not pay any dividends and probably never will. I think it is most important to know that newspapers like the Calgary *Herald* came out with indications of what the government had in mind apparently from the beginning. On April 27 that newspaper contained an editorial entitled "Canada Can't Control a U.S. Plan". That is all I am going to say about that editorial.

An hon. Member: What paper?

Mr. Murphy (Lambton West): The Calgary *Herald* of April 27.

An hon. Member: They do not say that today.

Mr. Murphy (Lambton West): I will bring the hon. member up to date. On May 2 an editorial in the same paper was headed "An Unholy Mess". Here is just a little of what they had to say. Those who are yapping away like the term that we are not supposed to use may not like this, but I want to put it on the record:

> We do not blame the Americans behind this fantastic deal. They are not philanthropists yearning to do us Canadians a favour.

When they appeared before the committee you would have thought that we were children and that they were something like manna from heaven.

> And if they can find a government as meek and amiable as the Liberal government at Ottawa seems to be, a government which will dumbly foot half the bill to enable a foreign country to derive maximum benefit from Canadian natural resources, then they would be fools indeed not to take advantage of that unbelievably juicy turn of events.
>
> And to put the cap on an already revolting situation, have Canadians—

Mr. Weir: Mr. Speaker—

Mr. Deputy Speaker: Do I understand the hon. member is rising on a question of privilege?

Mr. Weir: On a point of order.

Mr. Murphy (Lambton West): The hon. member cannot rise on a point of order during my speech, when he is not in his seat. He can do it at the end of my speech.

Mr. Deputy Speaker: Do I understand that the hon. member is rising on a point of order?

Mr. Murphy (Lambton West): The hon. member cannot rise on a point of order when I have the floor.

Mr. Deputy Speaker: I will hear the point of order.

Mr. Murphy (Lambton West): The hon. member has been government whip for the last 11 years and he must know that you cannot raise a point of order when a member is speaking. An hon. member cannot raise a point of order when I have the floor. I continue:

> And to put the cap on an already revolting situation, have Canadians stopped to consider that the future of this country's natural gas at this moment is being determined . . . not in Ottawa, which is nominally the capital of Canada . . . but in Washington, D.C., the capital of the United States of America?
>
> It is hard to believe that a nation and a people with any pride would tolerate such a demeaning state of affairs as this.

That comes from the people in the heart of the oil industry of this country. Here is another one a little later, on Saturday, May 5:

> Stop the Pipe-line Negotiations Now

That is what my leader and our speakers have been saying for some time. The Trans-Canada Pipe Line Company defaulted and have been in default for some considerable time. It is time, as our leader has said emphatically, that this whole mess should be referred to a standing committee. Certainly no one could find fault with that except those who are themselves captives to Trans-Canada. I shall not refer to anything more in that particular editorial.

Mr. MacDougall: That is enough.

Mr. Murphy (Lambton West): I hear the Liberal members say "That is enough," but it takes a lot to satisfy some people, and I shall give them some more. This is from the Calgary *Herald* of May 8.

Mr. Richardson: I rise on a point of order.

An hon. Member: Is it a Tory newspaper?

Northern Ontario Pipe Line Corporation

Mr. Deputy Speaker: I understand the hon. gentleman is rising on a point of order. I must hear the point of order.

Mr. Richardson: On a point of order. May I refer to citation 306 in the second edition of Beauchesne?

An hon. Member: Read it.

Mr. Deputy Speaker: I know the citation.

Mr. Murphy (Lambton West): The Deputy Speaker is quite well acquainted with the rules.

Mr. MacDougall: That is the first constructive thing you have said in the whole speech.

Mr. Murphy (Lambton West): That is good. I am glad we have satisfied the hon. member for Vancouver-Burrard. It is so rare that we do so. The Calgary *Herald* of May 8 says:

Is This "The Dominion of Howe"?

Of course, we have referred to the Dominion of Canada and the British commonwealth of nations in the one breath, but is this the dominion of Howe? it says:

Canadians can scarcely be blamed for wondering if the Right Hon. C. D. Howe regards the building of the east-west natural gas pipe line, and the exploitation of Alberta's natural gas, as purely personal projects of the Right Hon. C. D. Howe.

In view of this being the pet project of the minister, I think that editorial is also well worth reading, because no one else has had an opportunity to present the facts before parliament for a case for an alternative to the Trans-Canada pipe line. Apparently they were warned off with the big stick. Let there be no mistake about that. The people of this country certainly have that impression, from what the minister himself has said and from the attitude of the government. I think it is very important that we have material of this sort from that particular area. It means more than my speaking or anyone else's speaking, and certainly means more than the various attitudes that have been held by the Minister of Trade and Commerce. It is only last January when he spoke in Toronto—and how contradictory can a man be?—and said the following:

A subsidy for the line is not desirable, since gas in central Ontario and elsewhere will compete as a fuel with coal and oil. Is it desirable for governments to subsidize one fuel against competing fuels and one set of producers against another? I think not.

Now we have a project which is neither beast nor bird, which is partly public and partly private. We must not overlook the importance and the necessity of getting a fair distribution of the natural resources across our country. I think members of this house would be well advised to recall what took place in the province of Ontario under the present leader of our party here in Ottawa today when he encouraged the entry into Ontario of more than $200 million, and new towns were built in his province. He has been urging the necessity for a survey, in the same way that he approached the lumber and timber industries in Ontario, and I think it is only sane that we should have a survey. Let us get the facts now that are necessary in this befuddled situation.

I regretted to hear the leader of the Social Credit party say that they are losing $50 thousand per day because of the gas going up in flame. That has been going on for some time, and we regret it, but I wish to say that we in Ontario have lost an estimated $100 million in the agricultural production of that area. I know that every member of the house would regret that too, but those are things that we have to take in our stride. To me it is more important to have a little delay in order that, as the final outcome, the producers will know what they are going to get well ahead instead of guessing at it and that the consumer will know what he is going to have to pay. So far it is more or less guesswork.

I repeat what I said a while ago. We should not be fooled about this load factor and through-put. I am afraid some people are. I want to say here that in western Ontario the Union Central Gas Company has been supplying gas in western Ontario for many years. At the moment, as I have said, they are importing 5½ billion cubic feet a year, and they are proposing to import another 15½ billion cubic feet, with the idea of supplying the areas from London up to Hamilton. At the present time the distributor pays 35 cents a thousand cubic feet. The new proposal is that we would pay 39 cents per thousand cubic feet, and that is on the load factor, about which we have heard so much, with a full capacity for every day of the year. If the people of Ontario will have to pay 16½ per cent more than we pay today, that should be our concern. In the meantime, we may be able to develop enough gas for ourselves. I think we will get the most out of it by finding markets close to home, and I hope we shall find a considerable flow of gas in southern Ontario, because if we are going to maintain a healthy manufacturing industry we must have a low fuel cost. Gas cannot be transported for over a 1,000 miles at a satisfactory rate. In Ontario we do not know what price we are going to pay for this gas, nor do we know whether it will be competitive with oil. That is where the mistake was made. This question should be referred to a committee so that further study

could be made and the people will not have to rely on conjectures. We have had conjectures in the past. Fortunately for western Canada, they are exporting now 100 million cubic feet in the Montana market and 200 million cubic feet per day through the Pacific Northwest pipe line. The figure might be increased, as I hope it will be, pending the construction of this pipe line.

Before this is closed, I hope that we in western Ontario and other places in Canada will have a better idea of how much we shall have to pay for this gas. We wish to make our contribution to the economic development of this country, but we do not want to do it by guesswork. People's minds should be disabused of the fact that, because this pipe line goes through southern Ontario, the storage fields in that part will have to be a big factor. I think the Minister of Trade and Commerce can agree with this particular part of the argument, that I do not think it will be a very big factor. If these big storage fields were on the direct route of the Trans-Canada pipe line, then it would be a big factor.

Some years ago when this company got its charter, I of course—and I am frank to admit it—was hoping that we would have the route the same as we have on the interprovincial pipe line. Then it would have come through Sarnia and these Lambton storage fields would have been of some use. But since it became a matter of policy with our party that we must have an all-Canadian route, I am for an all-Canadian route and I make no apologies to anybody. I cannot see where these storage fields are going to be of any use because, after all is said and done, if this gas comes through to western Ontario through the Hamilton gate, in order to serve the most useful purpose it would have to go back there again. That means transporting that gas 180 miles one way and 180 miles the other way. It is possible there is some way in which it can be used more ecenomically.

Incidentally, I do not think the application to which I am about to refer has been passed yet. The strange thing to me—and I think many hon. members will agree with me—is that here is an application by the Union Gas Company Limited before the federal power commission for the importation of 15½ million cubic feet a day. That decision may not be forthcoming for some months. But suppose they do get 15½ million cubic feet a day. Then they will be prepared to service that part of Ontario from Hamilton to Windsor mostly. I am wondering whether they are so enthusiastic about the final stages of this pipe line as are some members of the government, because they are laying plans at the present time to service that part of Ontario and at a price, I must say—and I repeat it—a good deal less than that which it is going to cost for gas coming from Alberta. So I say, Mr. Speaker, that we should not be in a hurry at the moment. I think that the people in western Canada and in eastern Canada who are going to be serviced are going to regret the day that this thing was done in haste. They might better suffer a little loss for the time being and have both a bigger price at the well head over 25, 50 or 100 years, and a lower price to the consumer for that period of time.

I should like to comment for a moment on the financial set-up of this particular company that seems to want to build the pipe line, reluctantly apparently, without doing anything about it. Their type of financing is rather strange. Of course, it might be pipeline financing; I do not know about that matter. We know what the pipe lines have done in our country in the last few years. I may say this, however, to hon. members present, speaking of gas and oil. If any of us had been fortunate enough to have lived a few years ago when one of the pioneer oil companies was in its infancy and had put in his present indemnity—I do not mean ministers of the crown because they would have hogged it all; I am speaking of just one private member—this year's indemnity into that original development, when Imperial was operating a little refinery for petroleum, he would be receiving in dividends a good deal more than his indemnity today. In this set-up of financing, there is 12½ per cent of common stock, 75 per cent mortgage bonds and 12½ per cent debentures. It is true enough that these financial houses, insurance companies and so on will want bonds or debentures.

But the interesting part is this. Anybody who has the odd nickel in his pocket is not interested in that sort of thing. He wants common stock. We know the history of common stock of pipe lines all across the country and elsewhere. I think it would have been safer and more sound if there had been a greater amount available in common stock. As far as Canadians getting 51 per cent of the common stock is concerned, we have about as much hope of that as the proverbial snowball you-know-where.

I am going to say in conclusion—I am notified that my time is about up—that when the Prime Minister (Mr. St. Laurent) avails himself of the opportunity to rise in his place—

An hon. Member: Do you think he will?

Mr. Murphy (Lambton West): —and give us his views on this important subject, I hope in the meantime he will have considered what has been said by both sides. He is a great corporation lawyer. There is no question about that. I know he will probably feel as though he should say something. I think the people down in my part of the country for whom I speak would like to know the Prime Minister's attitude with regard to this mess and whether he is going to allow it to go through.

We do not like closure, Mr. Speaker. We in our party make no apology to any government nor to any person for the attitude we have taken. I have no hesitation in saying that we have in the house today two members—and as I said a short time ago we might not continue to have one of them for a time—namely the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Kamloops (Mr. Fulton), who have made an exceptional contribution not only to this parliament but to their ridings.

Some hon. Members: Oh, oh.

Mr. Murphy (Lambton West): I make no apology for saying that because I am expressing the opinion which the press of this country expressed and which the people of this country will express when they get the opportunity to do so at the next election. Mr. Speaker, I am saying that we as Canadians should not provide a luscious melon to satisfy the hungry taste buds of foreign investors. I hope the time has come when the Prime Minister and others in the government will not be the Charley McCarthys of the big interests on the other side.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I rise at this stage particularly to deal with the speeches made by three Winnipeg representatives in this house. Coming as I do from Manitoba I feel strongly that all three of them completely misrepresented the feeling of the people in the city of Winnipeg. I think it is quite clear to everybody that there is no place in Canada where the feeling on this subject is clearer than it is in the city of Winnipeg. The people there certainly do not feel that this is the time to take a second look or that this is the time to postpone the matter any further.

The premier of the province of Manitoba himself made representation to the board of transport commissioners and emphasized that point clearly. A little later the legislature of the province debated this matter and again this point was made clear not only by the Liberal members of the legislature but by all parties represented in the legislature.

Furthermore, the people as a whole in the province are very much concerned about the immediate implementation of this scheme because the company has negotiated probably a bigger purchase contract in the city of Winnipeg and surrounding area than in any other part of Canada.

So far as the province of Manitoba and the city of Winnipeg are concerned, the matter that concerns them now is to have this pipe line built at the earliest possible time. Generally speaking, they are very pleased with the situation and are grateful to the Minister of Trade and Commerce (Mr. Howe) and to this government for having found a solution with respect to the early implementation of this proposition.

I can understand the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Winnipeg North (Mr. Stewart), who belong to the C.C.F. party and who choose to ignore the practical realities of any schemes. There is no likelihood of their party having the responsibility for putting any of these policies into operation in this country for many years. Hence over the years they have delved into the realm of fancy when it comes to great socialist theories. But when it comes to the hon. member for Winnipeg South Centre (Mr. Churchill), I must say that he is not so easily excused because he belongs to the official opposition. He belongs to one of the old parties of this country, and I regret that he did not show any more sense of responsibility than he did in the speech that he made to this house. But if the hon. member for Winnipeg North Centre can be excused to a degree he is a socialist, I am at a loss to understand his stand on the procedure at the resolution stage.

All hon. members know that this hon. member was one of the first, and the one who put more effort than anybody in this house, in an attempt to prevent the second resolution from being dealt with by the house. He used his experience and his knowledge of the rules of the house to prevent the second resolution from being dealt with, and delayed proceedings for a considerable time. Now, what does the second resolution mean? I am going to refer now directly to the bill before us, part II of Bill No. 298. This second section, with which the hon. member tried to prevent us from dealing, embodies practically the same principle as was contained in the original resolution. It also deals with the same amount of money as was contained in the original resolution. There is no new money involved in this second part of the bill, but it does make it possible for roughly half of the money which was to be provided

for the construction in Ontario to be used for the same purpose in the western provinces in order to expedite the construction of the pipe line. There is no subsidy involved in this second part.

Some hon. members from both parties have referred to this as a subsidy to western Canada. There is absolutely no subsidy involved. All that is involved is that the government allows the company to use up to $80 million for the construction of the western pipe line. There are only two things that can happen. Either the company puts in the pipe line and brings gas to Winnipeg, in which event the loan is repaid to the government at a rate of 5 per cent interest and it does not cost the taxpayers any money at all, or the company defaults and the government takes over the pipe line and also the security. In the first case the government might realize a small profit on this enterprise, and in the second place we end up with a pipe line at certainly no cost to the taxpayers. In this particular scheme Canada is in the very fortunate position that she cannot lose either way. The taxpayers of Canada have nothing to lose and the people of western Canada are assured of the pipe line going into the ground and reaching the city of Winnipeg this fall. In view of all this it is very difficult to understand why the three representatives of the city of Winnipeg are putting forth so much effort to try to prevent this from being done. Irrespective of what happens, under the present arrangement we are assured of a pipe line to Manitoba this fall. Furthermore, the pipe line goes into the ground irrespective of what is decided in Washington by the federal power commission.

Now, this second part of the bill is highly commendable and most desirable, particularly from the point of view of the western provinces. I was very much surprised to hear one of the front benchers of the Conservative party refer, in a speech on May 18, to what I take to be the attitude of the Tory party in this house. In his concluding remarks on page 4074 of *Hansard* for May 18, 1956, he said:

> Do you have to build this line now? Let us have another look at it;—

This is typical of the attitude taken so far.

> —let us do something for the economy of all parts of Canada rather than for the small privileged section of two or three provinces.

Here is the attitude of the Conservative party when it comes to the western provinces, a small privileged section. When the hon. member for Winnipeg South Centre, who represents a constituency in Winnipeg, applauds that statement in the house, when he asks what is the big hurry, let us wait and delay and delay, then I am surprised.

It used to be that the Conservatives in the official opposition blamed their inefficiency and their abortive policies on the huge majority of the government. Now, they have a new line. They are turning their wrath on the United States investors in this country. They are trying to blame their difficulties on the United States investors in this country.

Mr. Fleming: How silly can you get?

Mr. Jutras: Just read your own speech.

Mr. Fleming: You will not find any such statement in those speeches.

Mr. Jutras: You made your speech before, and it is on the record.

An hon. Member: You made your speech before.

Mr. Fleming: Closure; you just do not give us any chance to speak.

Mr. Jutras: I think I have the floor. The hon. member made his speech and I think it is a typical example of the argument I am advancing.

Mr. Fleming: You were never more wrong in your life.

Mr. Jutras: As I mentioned, the member for Winnipeg South Centre followed the same line. He spoke very briefly on the pipe line itself and was very careful to speak mostly on the closure motion. He did mention the pipe line for two or three paragraphs, and frankly it would have been better if he had spoken exclusively on closure because he did not contribute very much. I am sure he will not be proud of the speech he made. He, of all people, should not be the one to turn his indignation against the United States investors in this country. I do not think there is a city anywhere in Canada that understands the United States people better than does the city of Winnipeg. There is certainly no other people who fear the United States capitalists to a less extent than the people of Winnipeg. I doubt if there is anywhere that United States investors are more welcome than in the city of Winnipeg—with the probable exception of Regina, with all due respect to our socialists in this house.

We in western Canada do welcome United States capital in our province to develop our resources.

Mr. Dufresne: Tell that to your friends from Quebec.

Mr. Jutras: Nowhere have provincial governments made more overtures to United

States capital than possibly Alberta, Saskatchewan and Manitoba. We have vast resources which we are just beginning to develop, so we welcome United States and other capital that will help us to explore these resources and take advantage of the real wealth we have in our provinces. I for one certainly cannot understand why anybody in this country, and particularly anybody in this house, should abuse those people who have faith enough in this country to come in and use their resources in the development of this country as a whole. They come here at our invitation; they invest in this country under our terms. It is up to us to lay down the rules; it is up to us to state under which law or what law they will operate. As I say, we invite them to come here. Surely, once they are here under our terms we should be the last ones to abuse and criticize them and particularly to call them buccaneers and pirates and so on after they have come into the country. If we do not want them to come into the country there is a very easy way to stop them. If they come, as I say, it is because we invite them. I want to make it clear that I certainly am not one of those who criticize them when they come to this country.

Why is United States capital flowing into this country at the rate it is? It is because they have faith in the sound fiscal policies of this government. Will the hon. member hold his peace for a little while? After I have finished with this matter I shall come to his speech and paradoxes and I shall add a few more. One needs only to read the sound publications in the United States, in Great Britain and in other countries of the world to know that the one factor that encouraged United States capital to come to this country was above all else the sound fiscal policies of this government over the last several years. Another factor that encouraged them to come here was the stability of the government of this country. Then, there is the fact that they see the vast resources of this country. They have faith in Canada. They have faith in Canada not 50 years from now, not 100 years from now but now. That is the big difference between them and our friends of the official opposition. They think only in terms of years to come. As I say, since we have invited them to come here, they have come to help us develop our resources. We know where the western provinces would be if it had not been for the outside capital that came in. They have made possible whatever development we have.

I want to make it clear that I am not the only one who thinks in this way. We are very grateful, and we hope they will continue to come. It is very unfortunate that all this criticism should come at this time because United States capital is on the downgrade at the moment. It is getting less and not more. Why this campaign should be waged at this time is even harder to understand.

I come now to the speech of the hon. member for Winnipeg North (Mr. Stewart). The hon. member for Lambton West (Mr. Murphy) referred to it this afternoon. I do not think I would have to refer to this matter if it had not been dealt with at some length by the hon. member for Calgary South (Mr. Nickle) last Friday. The hon. member for Winnipeg North was up to the same trick as his leader used several months ago, the hon. member for Regina City (Mr. Ellis) and a great many others. Hon. members will recall that at the very beginning of this discussion the leader of the C.C.F. party went on the air and charged that the rate at Sudbury would be 60 cents as against 34 cents in the United States. Taking that as his assumption, he tried to prove that this was a subsidy to the United States consumer. That was corrected the next day. It was proved that his reliable information was most unreliable. But, then, several hon. members came back to the same point. The hon. member for Winnipeg North, who is an accountant, purported to cite figures to show that the rates in the United States would be much lower than the rates in Canada. I admit it is not a simple matter to try to compare rates when they are on a different basis. This afternoon the hon. member for Lambton West said: "Oh, well, let us forget about that; we need not worry about the conditions." He insisted on making comparisons with two different things. There is nothing really mysterious about these various conditions of rates. The same principle applies to electric power, to the communication lines, to the telephones. What the hon. member is saying is that you should take the rate of a telephone call in the United States on Sunday and compare it with a Canadian rate of a telephone call on Monday or another day of the week during office hours.

We all know that the telephone rate is cheaper on holidays and Sundays than it is during business hours. It is even cheaper after six o'clock. To compare one rate with the other without taking these various factors into consideration is just plain ridiculous. And yet the hon. member for Lambton West rose in his place this afternoon and said we should not worry about the different factors; we should just take two rates and compare

them. The point is, there are different factors and different rates, and there are a great many that have to be taken into consideration. I do not propose to go into all these factors at the moment, but in the case of the Winnipeg Central, which is the largest utility company in Winnipeg, they have already negotiated a contract so that we are not dealing with possibilities, we are dealing with facts as they are. They negotiated their contract on a 50 per cent load factor. The other company, the Midwestern, which is the company which will take the gas into the United States, negotiated their contract for 200 million cubic feet on a 95 per cent load factor basis; consequently, you cannot compare the two just on that basis. It is easy to break them down to a common denominator. By taking the 75 per cent load factor and by equalizing pressure, which is also another factor to take into consideration, it is found that over a 20-year period Winnipeg Central will pay an average price of 28·3 cents per thousand cubic feet. Over the same period the average price that would be paid by Midwestern would be 29·3 cents. In other words, the export price to the United States works out at an average of slightly more than one cent per thousand cubic feet higher than the price to Winnipeg.

There should not be too much question of that because, as has been pointed out by previous speakers, we have an act called the Exportation of Power and Fluids and Importation of Gas Act, which is on the statute books of this country. Regulation 9 of this act states in very clear language that no company can take gas and sell it cheaper in the United States than it sells it in Canada under similar conditions. This is clearly set out in regulation 9 of our Exportation of Power and Fluids and Importation of Gas Act. That act has to be complied with. So far, none of the contracts negotiated in Canada has been higher than in the United States. It should be pointed out, as it was previously, that in the case of the United States company, Winnipeg is on an escalator clause basis; whereas the other one is on a constant rate basis, which means that for the first year the Winnipeg company will pay roughly 2 cents more; but in the second year both will be the same; and in the third year the Winnipeg price will be exactly one cent lower; and the fourth year it will be 3 cents lower, and so on.

Taking the period of 20 years as a basis, the Trans-Canada company over that period of time will receive an average of an additional $2,000 or more per day on its exports to the United States than would be the case had the American company been able to buy it at the lesser price charged to the Winnipeg utility. This amounts to an annual increased revenue to Trans-Canada of $759,200 or, viewed in terms of the 20-year sale, Trans-Canada benefits to the amount of $15,184,000 more than if it had taken the Canadian rate. One can see the charge that this is a subsidy to United States consumers is definitely incorrect.

Before I close I want to deal briefly with the charge that the Trans-Canada company is the chosen instrument of the government. We have heard that statement over and over again. We all know if anybody was chosen by anybody that one had to be chosen by those who had the gas. One fact which seems to have been overlooked in the discussion is that this government has no gas to export. It can deal only with those companies which have licences to export gas from the province of Alberta. This was not brought about at the last minute, it has been going on for years.

The first real activity in the export of gas goes back to 1948, at the time of the discovery. Interest was created in the possibilities for gas export at that time and several applications were made to the conservation board of Alberta. In 1949 a natural gas export hearing took place and an application was made by Northwest Natural Gas Company and Alberta Natural Gas Company, both predominantly United States companies. Their application was to take gas to the Pacific northwest of the United States.

In October of the same year the Westcoast Transmission Company applied to take gas from Peace river to Vancouver and on to United States markets. They received their permit from the Alberta board in March, 1952, but they received their permit from the United States to take gas into that country only a few months ago. Let me point out that Mr. McMahon, the president, was not able to complete the financing of this enterprise until the licence was granted by the federal power commission in Washington.

Then we go to February, 1950. At this time Western Pipe Lines Limited, predominantly Canadian, applied for a permit to take gas from Winnipeg to Minnesota. In April of the same year Prairie Transmission Lines Limited, headed by a Canadian, also applied to take gas directly south to Minnesota; however, they withdrew their application and applied for one which would permit them to take gas to the Pacific coast.

In August, 1950, McColl-Frontenac and Union Oil applied to take gas to Montana, as was referred to this afternoon. In September, 1950, Canadian Delhi Oils Limited applied to export to eastern Canada over an all-Canadian route. At this stage, in September, 1950,

two companies, Western Pipe Lines and Canadian Delhi had applications, and these hearings were not completed until November, 1950. The board announced its decision in 1951. The decision was that the province did not have sufficient gas for export in excess of their requirements. Mark you, this was in 1951.

In March of the same year Trans-Canada, now under its own name applied, as did Western Pipe Lines. The decision of the Alberta board in November, 1953, was that neither of these two companies could meet the financial requirements to carry the project through, so they were both turned down. I would like to point out that the Canadian government and the Minister of Trade and Commerce did not enter the picture until that late stage, after 1953. It was only then that Mr. Manning wrote the Prime Minister to the effect that they would consider granting a licence to a merger of these two companies to take care of both United States and eastern Canadian requirements.

I think the record is quite clear that nobody was debarred. There was ample opportunity for everybody. Several applications were made and all were dealt with by the Alberta conservation board. Their first consideration was to take care of the interests of the province of Alberta before allowing any export out of that province. It was in 1953 that this government, through the Minister of Trade and Commerce, announced the same policy and made it clear that the interests of the Canadian people had to be taken care of first before there could be any export to the United States. The only possible solution was to merge the last two companies I mentioned which had passed the various tests of the province, in order to try to bring this great natural resource to all parts of Canada for the benefit of Canadians and for a greater Canada. It was intended to treat eastern Canada and all parts of Canada on an equal basis, which is completely in line with the philosophy and experience of this government which builds for a greater and more prosperous country.

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I rise on a point of order in accordance with your instructions last week to wait until the conclusion of a speech before indicating to the hon. member who has spoken that he was incorrect in some of his statements. I do so now to assist the hon. member for Provencher (Mr. Jutras) who I am sure, if he had heard my speech last week or read it at page 3939 of *Hansard*, would have discovered that contrary to his statements I did not advocate delay in building the pipe line but suggested that the pipe line could be started last week and these are my very words:

> The pipe line could be started this week if the company had any initiative and was prepared to substitute deeds for words.

I went on to say further that all of us who live in Manitoba are anxious that gas shall be delivered there this year.

An hon. Member: Is this a speech? You made that one.

Mr. Churchill: I pointed out:

> . . . Manitoba has been sold down the river . . . three years ago.

Some hon. Members: Order.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in speaking to the same point of order may I point out to the hon. member for Provencher (Mr. Jutras) that far from advocating delay I advocated—

Some hon. Members: Order.

Mr. Knowles: —I advocated that the line be built this year under the direction of that past master of public ownership, the Minister of Trade and Commerce (Mr. Howe).

Mr. Reinke: Watch him squirm.

Mr. A. J. Brooks (Royal): Mr. Speaker, I do not intend to correct some of the other errors committed by the hon. member for Provencher (Mr. Jutras) in his remarks—

Mr. Harris: He did not make any.

Mr. Brooks: But I might say the two corrections which have been made are merely a sample of the many that are needed as far as his speech is concerned, because it was largely composed of fabrications and misrepresentations.

I am one of those who perhaps can look at this matter a little differently from other hon. members who have spoken in this house because, like the hon. member for Esquimalt-Saanich (Mr. Pearkes), I am from outside the area it is proposed this pipe line will serve. I rather wish I had a little of the eloquent indignation of the hon. member for Esquimalt-Saanich in order to express my opinion concerning the fact that this is called a trans-Canada pipe line. I shall deal with that later.

I want to say that as far as we who live in the eastern provinces of Canada are concerned, while we will receive absolutely no benefit from the gas in Alberta we look upon that natural resource as we would upon any other natural resource of this country. We want to see it developed in the best manner for the people of the Dominion of Canada.

While we expect no benefit from it, we do not want to see this asset wasted nor do we want to see it cost the people of Canada more than it should.

In past years we have often heard it said that Canadians were the most wasteful people in the world as far as their great natural resources were concerned. Possibly that may have been true because we were a new country, but we have had considerable experience and there should be no recurrence of any great waste nor should there be any great misuse of our natural resources.

There are certain basic principles which I think should govern the development of our natural resources. Perhaps the first is that we as Canadians who are proud of these great assets should control their development. I think that is a great fundamental principle that should apply. The second might be that we should conserve and use our natural resources for the benefit of all the people in so far as that can be done. The third is that these great natural resources are not only for the people now living but should be conserved, developed and preserved for the people who will come after us.

As I said a moment ago, we may have been wasteful in the past in the development of our resources because we have had so many good things given to us. I do not suppose there is a country in the world with such a small population which has been so richly endowed as has the Dominion of Canada. In recent years many of these riches have been discovered in the form of great oil fields, great gas fields, base metal discoveries, uranium and other minerals. Having such a small population it may be that we have not been able to digest these riches as well as we possibly would if we had been a great, rich and heavily populated country.

The matter of closure was brought up again this afternoon. It is not my intention to debate closure except to say that I am sorry indeed that this government, after initiating closure on the first reading of this bill, has decided to initiate it again. Every hon. member, no matter what his constituency, has some interest in this pipe line. It has been called one of the great national developments of Canada, and has been compared with the Canadian Pacific Railway Company. Why should not hon. members representing constituencies from one end of Canada to the other, whether or not those constituencies are in areas to be served by the pipe line, have an opportunity to express their opinions in this House of Commons?

It is not my intention to develop that argument any further, but I think it is an interesting fact to note that members are sent to the House of Commons to express their opinions on matters and events which come before this house. This is not something having to do with war; this is not something in the form of a great national calamity; this is something which has to do with the future and a few weeks or even months would not make much difference. I submit that the government is unfair to the members of this House of Commons and to the people whom they represent when they do not give hon. members an opportunity to express their views on a question of this kind.

There are bound to be many views. I hope I will be excused if I attempt to indicate briefly this afternoon the views of the people of eastern Canada. We remember when the question of Trans-Canada Pipe Lines was brought before the house in 1951, and we remember the sessions of the committee on railways, canals and telegraph lines. We remember the decisions that were made at that time.

I told my constituents over the radio and individually what were the results of the decisions arrived at in the committee. Although my people would get no benefit they were pleased to know that this was to be an all-Canadian pipe line and would not go through the United States. We were guaranteed by the people who were asking for incorporation that it would be an all-Canadian pipe line. The people of the eastern provinces agreed 100 per cent. There was no doubt that it was to be an all-Canadian pipe line.

The matter of finances was also discussed in the committee on railways, canals and telegraph lines. What were we guaranteed then? We were guaranteed that the pipe line company would pay 100 per cent of the cost of this line. This also appealed to the people of the eastern Canadian provinces, as I am sure it did also to people in other parts of Canada who would not be able to receive gas from this line. There was no objection to it because it was to be an all-Canadian pipe line to be paid for, not by Canada, not by the people of the eastern provinces, but by this company. That also was satisfactory to our people in 1951.

We were told at that time that it would be under the control of Canadians. Later on we found out that a company known as the Hudson Bay Oil and Gas Company would own 327,000 shares; that another United States-controlled company, Canadian Gulf Oil company, would own 327,000 shares; that Tennessee Gas Transmission Company would own 327,000 shares; that other United States companies would own more shares; that in all about 83 per cent of the shares of this

company would be controlled in the United States. Our people did not think so much of that as long as the company was to be under the control of a Canadian directorate or the Canadian people. Mr. F. A. Schultz, vice president of Canadian Delhi Oil Limited of Calgary, one of the prime backers of the proposed company, stated before the committee:

> The third consideration was that the project had to be economically feasible. We are satisfied at this stage that the line is entirely feasible.

We were told at that time that it was entirely feasible. As I said a moment ago, representing the people of eastern Canada, we were satisfied with the report of Mr. Shultz, the vice president of this company, that it was feasible. Again we heard nothing about the federal government or the people of Canada having to put up money to pay for the pipe line crossing the terrain of northern Ontario. Whilst the remarks of Mr. Tolmie, the parliamentary agent for the proposed company, and some of his engineers have been put on the record before, I would like just to quote again the statements that were made at that time as to the responsibility of the Canadian government in connection with building across the rugged terrain through northern Ontario.

I might say that at that time this company was applying for incorporation. They were willing and ready to promise anything, and they did promise anything and everything to the members of this House of Commons and the people of Canada. Very few of the things that they promised to the parliament of Canada or to the people have been carried out by them. Mr. Tolmie said:

> The relative ruggedness of the terrain between Kenora and Sudbury has given some people the idea that this project is a little bit difficult or even impossible and for that reason we have today the engineer who made the survey on behalf of this company. I think he will be able to give you some enlightening comments on the type of country that these pipe-line builders have met in other countries and that the shield country of Canada is not as formidable as we have been led to believe, largely because of going over it by train and plane.

Then he introduced Mr. Floyd Waterfield of the Pipe Line Engineering Company and the Oklahoma Contracting Corporation. Mr. Waterfield gave the following evidence before the committee:

> "So, everything being considered," he told the committee, "that so-called south route as I have referred to it along the (great) lakes provided some quite difficult construction problems—but I have seen worse in our country. In Pennsylvania there are certain sections of that country which are difficult particularly across the Tuscarora mountains and in West Virginia. That is a pipeliner's hell there. So there is nothing in this pipe-line construction that is insurmountable. It is just big. Some of it is going to be difficult construction but the average over-all cost comes to a very reasonable and reconcilable figure."

They did not want the Canadian people to pay for it. They themselves were prepared to pay for it at that time. They appealed to the people of this country who will get no benefit, to the people in the far-reaching provinces and other parts of Canada which would get no benefit. We had no objections on the evidence and on the report of this company which came here and sought to obtain incorporation.

So what do we have? First, in 1951 we had the promise that it would be an all-Canadian line. Second, there was no financial difficulty; that this company was willing and prepared —not only willing and prepared but they told us of the finances they could get. They told us in the committee that there was some firm in New York, I think, where they could obtain $250 million for the purpose of financing it. We were told they could get all the finance that was needed. We were told that the northern route, which we all agreed here in this House of Commons was a route we would like to see followed, was not a difficult route and that they would build it across there. They would serve Canada and ask no one to help them. But that was in 1951. After they obtained their incorporation, we began to see just what this company had in its mind.

I am sure that in 1951 they must have appeared before the government with their tongues in their cheeks, and that they also gave evidence before this committee with their tongues in their cheeks, because they no sooner got the incorporation than they began to point out the great difficulties in the construction of a Canadian pipe line. First, they told us that the pipe line would not pay unless some 200 million cubic feet of gas were exported daily to the United States.

As has been said here many times they joined with another company, and a new company was formed in 1954. Then they began to point out the great difficulties of the northern route. They said their company coud not build this route; that unless there was assistance from the Canadian government and from the Ontario government it could not be completed. That was in 1954. Then from 1951 to 1956 we have heard this company complaining that they could not do this and could not do that, and they come back again to the government today. They not only ask them to build over the rough terrain in northern Ontario, but now they tell them they cannot even build from the border of Alberta to the city of Winnipeg.

Has there ever been such a change in the promises of such a corporation in the whole

history of this country? They have climbed today on the backs of the Canadian government; and not only are they on their backs but believe me they have their hands very close to the throats of the Canadian government and Canadian people.

The other day the hon. member for Esquimalt-Saanich (Mr. Pearkes), said they had blackmailed the Canadian government into giving them conditions for which they had never asked before. I believe the people of Canada will feel that we have been blackmailed; that this company has taken advantage of the position which it has been allowed to attain, and today they are blackmailing the government and the Canadian people to assist them into doing something that they promised some years ago they could do without any assistance.

I can follow some hon. members in their arguments here when they speak entirely from local and personal points of view. For instance, the hon. member for Wellington South (Mr. Hosking), in speaking this afternoon, in his argument for the pipe line said that in the city of Guelph their old coal apparatus was outworn and out of date and they had to have a new one. He wanted to see the pipe line put through for this reason. That is a good reason for the city of Guelph, a very fine city for which we all have a high regard because it gave us our hon. leader. But it is not reason enough for the people of Canada, it is not reason enough for the people in my part of the country.

The hon. member for Provencher (Mr. Jutras), discussing the city of Winnipeg—and he made so many mistakes that he had to be corrected by other hon. members—said it was a great advantage to the city of Winnipeg. Of course it will be a great advantage to the city of Winnipeg; but we are told that if the pipe line is built through the city of Winnipeg and we do not get the 200 million cubic feet per day of gas going into the United States, the amount of money received from the gas sold in the city of Winnipeg will be only a trickle and that no company could afford to ship gas to the city of Winnipeg unless arrangements were made for the gas to be shipped to the United States.

For over a year, since February, 1955, we have waited for the federal power commission in the United States to grant permission to export gas to the United States. We seem to be no further ahead today than we were then. As a matter of fact, with the antagonistic feelings there are against this Trans-Canada Pipe Line company in the United States, it seems as though that permission may not be granted. So we are in a very poor position as far as this development of our gas pipe line is concerned.

As I said, I can understand some of the arguments. I can follow to a certain extent the hon. members of the Social Credit party. They have this great and valuable resource in their own province, and they want to sell it. Naturally any person or organization which has a good article wants to sell it. They think that they are going to sell it more quickly if this matter is hurried through at this time without proper organization or without proper study. I do not think that result follows at all. I am much surprised to see the great confidence which some of their members place in this government, and the great applause they sometimes give in this connection when this pipe line is mentioned. I should like to read what the hon. member for Wetaskiwin (Mr. Thomas) said the other day. As reported at page 3961 of *Hansard* the hon. member, speaking of the delay, said this:

> It is as a result of their fumbling, bumbling and lack of decision that the present step was made necessary.

He was speaking of the federal government, the federal cabinet, at that time. Then he went on to say this:

> We have to realize that because of this fumbling and indecision the government have taken the only action they could have taken under the circumstances. I would not be surprised but what one of the greatest causes of indecision within the government was the attitude of the Minister of Mines and Technical Surveys. I say that because he has attempted all through the years to squash anything that would bring any credit to the Social Credit government of Alberta. It is quite possible that by his arguments he led some of the junior members of the cabinet to go along with him.
>
> We also know that over the years it has been the expressed policy of the Liberal party in the province of Alberta that there will be no export of natural resources. They have opposed the export of coal, the export of oil, the export of gas. Now the whole thing has come down to the present situation. The government has made a mess of things.

Still, with that verdict by the members of the Social Credit party as to a government which they themselves have said has made a mess of this pipe line, they will stand up today and defend the action of that government which, in my opinion, is going to make a bigger mess of it than before.

The hon. member for Peace River (Mr. Low), as a reason why he wanted to see this pipe line built immediately, said the government or the people of Alberta were losing $50,000 a day. I think that is probably a great exaggeration, but I am not sure. However, I should like to ask him this question. If the Alberta government are losing $50,000 a day, who is responsible for their loss?

Mr. Blackmore: Failure to sell the gas.

Mr. Brooks: It has been the failure of this government—as they said, by their fumbling and their bumbling—to do what they should have done in the last five or six years. Those are the people who are responsible. Yet those are the people whom they are supporting today to do more fumbling and bumbling as far as this pipe line is concerned.

Mr. Blackmore: The failure to sell gas.

Mr. Brooks: Then again, do they think for one minute that as soon as this bill goes through the house this $50,000 a day they speak of will roll into the treasury of the government of Alberta?

Mr. Blackmore: There will be a great deal more.

Mr. Brooks: It will depend upon what the United States does. My hon. friend knows this. It will depend on whether the federal power commission of the United States grants the permit to sell 200 million cubic feet of gas to the United States. Consideration may go on for a year or it may go on for years. It may never happen. Alberta will still be losing that $50,000 a day, and they can blame their friends across the way for that loss.

I can also understand some individuals—and I am speaking of no particular individual; many of them have been mentioned—connected with this gas industry in Alberta. I know a good many of them myself. I can understand these people being extremely anxious to get this thing pushed forward. They have a personal interest. They have an axe to grind.

Mr. Blackmore: They have a national interest.

Mr. Brooks: They want to gain something, probably, on the investments they have. They know that if this company fails—as it very well could—this thing is going to be saddled on the government and the people of Canada. They know that, and they do not think they are taking any great risk as far as that is concerned. I have nothing to say about Ontario. They are interested. Our provinces are not. Ontario is an interested party. They want gas no doubt for northern Ontario. They have already been sucked into this thing. Perhaps they were unwilling, but they had to come in. Now that they are in, it looks to me as though it might be more or less a Hobson's choice for them to carry on.

An hon. Member: Who are the suckers now.

Mr. Brooks: The people of Canada. An attempt is being made to make them the suckers.

This all leads me to say that I agree with the amendment which was moved the other day by my friend the hon. member for Prince Albert (Mr. Diefenbaker) and which suggested that first this matter should go to a committee. A few days or a few weeks more spent in discussion of such a great undertaking for the development of this country of ours is not going to make much difference. Years were taken to build the Canadian Pacific Railway. Sir John A. Macdonald had all sorts of trouble—

Mr. MacDougall: We have heard all that a thousand times.

Mr. Brooks: It will not hurt you to hear it again. We have heard you a thousand times, too, and it has not been to much advantage. As I was saying, I agree with the hon. member for Prince Albert. We should know what people are going to be supplied. We do not yet know whether the gas is going to go into the United States. That matter could be discussed. We do not know the people who are going to take it in Fort William and Port Arthur.

Mr. Howe (Port Arthur): You worry about New Brunswick.

Mr. Brooks: There is talk about Algoma Steel going to take gas. Algoma Steel is going to pay nearly twice as much for their gas as will companies down in the United States. If the federal power commission allow gas to be exported to the United States, Algoma Steel will still pay almost twice as much as do the people down in the United States. We have not heard from Montreal, the great city of Canada. We do not know how much of this gas is going to be sold in Montreal, which is 2,200 miles from the gas fields of Alberta. It is going to cost the city of Montreal about twice as much for their gas as is paid in Winnipeg or in Saskatchewan. Have we any reason to believe that these people in that city of Montreal are going to rush in with open arms to take this gas from the Trans-Canada company? How about the city of Ottawa? We all live here part of the time. I have not heard nor have I seen it reported in the press of Ottawa that the people, business or anyone else are rushing in and asking that this gas be brought into the city of Ottawa in the immediate future.

These are things which I say should be considered by a committee. These are things which should be known by the people before they go ahead. These are the questions which are being asked and which I feel should be answered. What about the cost of construction? In 1951 an estimate was given. Since then we have heard other estimates. However, the cost of construction is going up all the time.

Mr. MacDougall: That is why we should not wait.

Mr. Brooks: We should know just what it is going to cost. There is another thing we ought to know. We have been told many things which we have found out have not been altogether facts. We ought to know whether there are any other companies which are willing to take on the construction of this pipe line. We ought to know whether there is other pipe available as far as these other companies are concerned. There are many other things that should be considered. The opinion of the eastern provinces, of the province of British Columbia and of the province of Quebec should be known.

This bill, Mr. Speaker, is not a trans-Canada or a Canadian pipe-line bill. The province of British Columbia will derive no benefit from it. The province of Quebec will derive very little, if any, benefit from it. They are not clamouring for the gas from this pipe line. The maritime provinces will receive absolutely no benefit from it. These are the things which should be taken into consideration by any committee examining this matter.

I want to speak for a moment about the situation in the maritime provinces. In 1951 the maritimes had no criticism of this project, but were pleased and anxious to see that this pipe line was being constructed. Today, when they realize that the government of Canada is willing and ready to lend money to a United States concern to construct a pipe line from Alberta to Winnipeg, and then to help construct the portion in Ontario at a cost of some $160 million, the people of the maritimes want to know why this government could not guarantee the bonds of the province of New Brunswick to permit hydro development in that province when it was so badly needed. That is one question which I think, in fairness to the people of New Brunswick and the people of the maritime provinces, the Prime Minister or someone else should answer in this house.

Not so long ago the Prime Minister referred to the maritime provinces when speaking to the Canadian Labour Congress in the city of Toronto. At that time he pointed out that the rest of Canada felt that there had been certain neglect of the eastern provinces, and he felt that something should be done about it. There should be economic redevelopment in the eastern provinces, and special measures should be taken. He also went on to say, and it sounded very logical and reasonable, that the people of the eastern provinces should state just what they wanted and that would be given careful consideration by the federal government.

I have sat in this house for 20 years, and I have heard repeatedly from members from the maritime provinces. Time and time again they have told this government what they felt was needed for the development of the maritime provinces. The Prime Minister must know. The Prime Minister has taken part in federal-provincial conferences, and there has not been one provincial government from the maritimes that has not had a long list of things it felt the federal government could do to greatly benefit the people in that area.

Yes, Mr. Speaker, there is a lot the federal government can do to help our people. Those things are well known. In the face of what is happening in this parliament today there is no excuse whatever for this federal government not giving assistance to these little provinces down by the sea which are having such a hard struggle to build up their economy. As I said a moment ago, the government is helping a great United States company which promised the people of Canada and the government that they, without any financial assistance, would build this pipe line. This company must have hundreds of millions of dollars at its disposal today which could be used to build this pipe line without federal government aid. This same government refused aid to the little province of New Brunswick, which is trying to develop hydro facilities in order to process the great natural resources being found there at the present time. I say it is unfair to the people of our province, and that is one angle which should be considered and discussed by this government.

There is another matter which I should like to discuss, but I have not much time. The hon. member for Provencher (Mr. Jutras), in what I call a speech full of cheap political claptrap, said we were opposed to United States capital. We welcome United States capital into this country, and we have said so time and time again. What we object to is this. We object to United States capital coming in here, buying up all our natural resources and siphoning them out of the country, because it is a well known fact that when your natural resources are taken out of the country your people leave. What we want is more United States capital. In New Brunswick we do not want our minerals to be shipped out of the country. We want United States capital to come in and build smelters and refineries in that area. That is what we want, and that is what we want for this Dominion of Canada.

I can give you an example of United States capital. They own the great Knob mine in Labrador and have built a railroad, which

should have been built by the Canadian National Railways and the Canadian people, because that is going to be one of the richest parts of the Dominion of Canada. But they own the mines, the railways and the ships at Seven Islands which take the ore from Canada to the United States to be smelted. Those are the things to which we object, Mr. Speaker, not United States capital coming into this country but United States capital taking most of our natural resources out of this country for the employment of their own people and not for the employment of the people here.

Now, Mr. Speaker, my time is up. This bill should be sent to a committee to be studied; there is no question about that. If there ever was a case of "heads you win, tails I lose"—which the minister mentioned in reverse the other day—we in the maritimes feel that this is such a case. We want this matter thoroughly discussed in a committee so that every angle can be studied, and so that the people of Canada will know where they are going with relation to this bill.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, the Leader of the Opposition (Mr. Drew) invited me to take part in this debate and I gladly do so. I would have done so anyway, but I should like to read the invitation he extended to me. I quote from page 3869 of *Hansard:*

> I should like to hear from the Minister of Finance just how enthusiastic he is about this proposal. I should like to hear from him how well he likes the idea of Canadian taxpayers' money being put up to assure the control of one of our greatest resources by investors in the United States.

Mr. Speaker, there never has been a more inaccurate statement put in the form of a question than that which has been made by the Leader of the Opposition.

Mr. Drew: It is accurate.

Mr. Harris: The hon. member for Provencher delivered an excellent speech this afternoon, and I shall have to repeat a little of what he said.

Mr. Knowles: Order.

Mr. Harris: But in any event I want to make it clear that this mouthful phrase about the great natural resources of this country being sold has been adopted by most of the opposition speakers when they do not know what it means. The bill before the house has to do with the construction of a pipe line. The pipe line, of course, will transport natural gas, and in so far as there is any natural resource concerned in this debate it is with respect to the gas itself, and not the pipe line.

Now, sir, this government and this parliament do not own one cubic inch of natural gas. We are not dealing with the natural resources when we discuss this bill. That belongs, sir, to the province of Alberta, or rather to those persons in Alberta who have discovered the gas and want to sell it.

Let us consider what we in this parliament are called upon to do; let us go back to the discovery of gas. And may I point out that every hon. member could read with profit the comments made by my colleague the Minister of Mines and Technical Surveys (Mr. Prudham), and what was said by the hon. member for Lethbridge (Mr. Blackmore) with respect to this natural resource of Alberta. Both these hon. gentlemen placed before the house the facts with respect to natural gas and what it would mean to the economy of this country if that natural gas is turned into money.

The other day in his speech the hon. member for Burnaby-Coquitlam (Mr. Regier) tried to suggest that he was rather opposed to this whole business. If I understand the tenor of his remarks, they were to the effect that there was no rush in this; that we could go slowly; that we could leave the gas in the ground for the time being if we wanted to and perhaps it could be dug up by a later generation. In his speech the hon. member for Esquimalt-Saanich took much the same view, and I was a little surprised because the hon. gentleman is not the kind of man to say, "Now that we have gas in British Columbia we do not care what happens to the rest of the country".

Let me go back to the hon. member for Burnaby-Coquitlam. May I point out to him that in his party there are some gentlemen who could give him a certain instruction with respect to some of the parables in the Bible. May I draw his attention to the fact that in one particular parable the master did not give the reward to the servant who buried his talents in the ground and left them there. The reward given by the master, Mr. Speaker, was to him who had taken his talents and wisely and prudently used them and returned them to the master with interest.

Mr. Macdonnell: Used them prudently.

Mr. Harris: In the province of Alberta a great many people and a great many companies have spent a great deal of money to find natural gas and oil. They have been desiring to sell that in the markets of Canada and the United States. This government became involved in this argument, as the hon. member for Provencher (Mr. Jutras) said, only something over two years ago. It is true that we incorporated pipe-line companies before that but in fact, until the Alberta conservation board decided there was

gas within Alberta for the purposes of export, we were not in a position to do anything about it. But having made that decision through the conservation board, the government of Alberta quite rightly would expect this parliament to take some action in some form to carry out their wishes.

At that point, sir, this government was faced with the decision, are we going to uphold the whole policy of every successive government in Canada since 1907, namely not to permit the export of any energy until Canadian demand had been adequately covered? This government made a decision which every hon. member approved, namely that we would not grant a permit until we had decided that Canadian need and Canadian uses would be adequately protected.

I want it clearly understood that the conservation board of the province of Alberta had given that decision as well. I am not suggesting that because we made that decision they had not also taken the same view. But they said, in the Pincher Creek area, or in that particular area, we shall dedicate for export out of Alberta so many hundred million cubic feet of gas a day, I think something between 500 million and 600 million. At that point the federal government came into the picture for the first time. We have made the decision that we will not permit the export out of Canada of more than 200 million cubic feet a day, and that by way of Emerson down to the midwest states. I have not heard anyone in this house in this debate or in a previous debate say that decision was the wrong one to take. What does it mean, sir?

Mr. Macdonnell: That is one of the things we want to find out about.

Mr. Harris: Oh, yes. I repeat, Mr. Speaker, that no one in this debate has quarrelled with our decision that if there are somewhere between 500 million and 600 million cubic feet a day of natural gas available for export out of Alberta the proper proportion to export to the United States at the moment at any rate is 200 million cubic feet. Since we made that decision, sir, it followed that we should also require that the remainder of that amount should be transported to eastern Canada for use along the route and in eastern Canada.

It has always been understood, sir, that we should have an all-Canadian pipe line in the sense that the pipe line would run through Canada. No hon. member of this house, as far as I have been able to find out, except the hon. member for Calgary South, has ever advocated any other course. Well, sir, the Trans-Canada Pipe Lines company is a federal incorporation; it has a federal charter because it has to have the right to transport gas across international or, at least, across provincial boundaries.

In case anybody feels that he has got himself confused on this issue, I repeat that our position arises only because of the fact that someone wants to transport gas across provincial or international boundaries. We do not own the gas; we have no control over it except that which I have described. Trans-Canada Pipe Lines then made certain engagements to buy and sell gas; to buy it in the west, transport it and sell it in the east. In the course of doing so they asked permission, or at any rate they made a contract, with a company which had to apply to the federal power commission in Washington to import that 200 million cubic feet a day at Emerson.

At that point hon. members of the Conservative party opposite began to point out and suggest, directly and indirectly, that this government was having its decisions made for it by an agency of a foreign government, and I quote from the Leader of the Opposition on another occasion. He said at page 2171 of *Hansard*:

> This proposal is going to delay the delivery of gas by adopting a method that makes us dependent upon the whims of the federal power commission in Washington.
>
> This government has placed itself in the humiliating and improper position where it is bound to wait until an agency of the government of the United States reaches a decision.

We heard those arguments—

Mr. Drew: What was the date of the statement?

Mr. Harris: That statement was made on March 15, 1956.

Mr. Drew: Before you brought in your new measure.

Mr. Harris: And since this debate has begun we have heard the same suggestions made by hon. members opposite in criticism of the policy which we now put forward, which would mean that we would not wait for the federal power commission at all.

I repeat, Mr. Speaker, the Alberta conservation board has complete control of the sale of natural gas outside Alberta in the sense that unless they allow the export of it there is no export. My hon. friends of the C.C.F. party have talked at some length and in glowing terms about public ownership and about the Ontario hydro commission as an outstanding example of its success. No one in Ontario will disagree with them. The Ontario hydro commission is an excellent institution which discharges its duties quite well; but there is no comparison at all in this case with the Ontario hydro commission. If my hon. friends were to go out to the province of Alberta and say to that government,

"You should produce this natural gas and you should market it within the confines of the province of Alberta," they would be talking about the same thing they are talking about when they mention the Ontario hydro, which develops power in the province of Ontario and sells it within the province.

Instead of that, they are discussing now this government running a pipe line at public expense through at least four provinces and perhaps even five, making contracts for the sale of gas throughout all those provinces with municipal corporations and provincial governments when in fact, Mr. Speaker, the premier of the province of Ontario, in the debates in the legislature just recently, said that after the fullest consideration they unanimously rejected the idea that Ontario hydro would distribute natural gas in Ontario.

Mr. Knowles: You run a railway transporting goods you do not own.

Mr. Harris: Yes, and I have often heard hon. members say in this house it is regrettable that we are in that position.

An hon. Member: What do you think about it?

Mr. Harris: Mr. Speaker, the Trans-Canada Pipe Lines company found last year that this government and indeed the government of Ontario as well were insisting that the pipe line go through not the shortest northern Ontario route but a northern Ontario route which is longer than they normally would survey, and the result was they expected the government of Ontario and Canada to contribute in some way to the construction of that line which would be at an extra cost because of its length and direction. We have not subsidized that line, and we are making no subsidy at all in the bill before the house. Let any hon. member opposite who uses the word subsidy correct himself and speak of a loan.

The province of Ontario, desiring to have natural gas in Ontario and desiring to assist this government in providing it in the reasonably near future, entered into an agreement with us that they would help finance that northern Ontario section of the trans-Canada pipe line. That is part of the bill before the house. We are advancing money. We are creating a crown corporation for the purpose of constructing a line and leasing it and perhaps ultimately selling it to the Trans-Canada Pipe Lines company. Now I understand, Mr. Speaker, that even this part of our proposal does not meet with the approval of hon. members opposite but let me remind them that the premier of the province of Ontario and his government felt that this was wise and desirable in the interests of the people of the province of Ontario.

May I just now, sir, by way of interjection, answer what the hon. member for Royal (Mr. Brooks) has said. This government and any government of Canada would be hopelessly unable to say on all occasions and on every occasion, "We shall do something for every part of Canada at this particular moment". This government has stayed in office for many reasons, but one of them is that we have given full consideration to the sectional requirements of this country.

Mr. Brooks: You have not a very good idea of the meaning of requirements.

Mr. Harris: It may be, Mr. Speaker, that at any given time there will not be something we can do for a particular part of Canada, but we are in office because when the opportunity arises we have always seized it and we shall do so in the future.

Now, Mr. Speaker, when the Trans-Canada Pipe Lines company made its contract with the United States company which wanted to import gas into the United States, that company made an application to the federal power commission for the purpose of obtaining an import permit. I think that consideration began in December—certainly the hearing began in early February—and the hearings are not yet completed but are expected to be completed some time before the summer holidays. This spring, sir, we were faced with a decision to be taken. That decision was, shall we await further a decision of the federal power commission which appears to be necessary before financing can be made available to Trans-Canada, and if we wait what will be the damage, if any, to the Canadian economy in waiting one more year?

Ordinarily a minister of finance is not inclined to loan anyone $80 million, and when this proposal was considered in this department I must say I gave it a certain amount of critical examination. But let us consider the advantages and disadvantages of the proposal to do what this bill now provides for.

This bill provides for the construction of the western leg of this pipe line this year. By the way, sir, something which may be interesting to the hon. member for Winnipeg North Centre is this. I believe he made up the minds of some government supporters when his party two weeks ago today moved the adjournment of this house on a matter of urgent public business, namely the method of financing the western leg. In the course of speaking to that motion and before Your Honour disallowed it the hon. member said

this urgency "relates to getting something done without further delay in western Canada". He said further:

> Your Honour realizes that the urgency that confronts us today is that unless some action is taken before long the western leg of the across-Canada pipe line cannot be built this year.

He also went on to say that it would be desirable to give parliament the views of his party "as to what they feel should be done to get this project under way without further delay".

Mr. Speaker, in April this year it became evident that if the federal power commission were not to complete its work immediately this government would be faced with the decision, as I said before, as to whether to delay this project one year or to take some action. At that point it would have been easy to say, "We shall not intervene at all; we shall await the decision of the federal power commission, and if it is successful no doubt this company will be able to finance itself by next season". However, Mr. Speaker, there was another factor that had to be considered.

This company ordered 34-inch pipe last year. That pipe is now partly rolled, and the remainder will be rolled and ready within a matter of days or weeks. But, Mr. Speaker, that involves an investment of between $30 and $40 million and it was highly unlikely, that those who had ordered that pipe would be content to carry the pipe for another season.

Now, if it happened perchance that the federal power commission did not give a decision until late this year it was extremely unlikely—indeed, the odds were very much against it—that we would be able to acquire pipe after that in time for the construction period of 1957, and that the first pipe would be laid for the western leg in July, 1958. Well, sir, that was our choice. We could risk that or we could take the action we are taking here.

I come back, then, to what the hon. member for Lethbridge and my colleague the Minister of Mines and Technical Surveys have said, that in Alberta there are millions of dollars worth of natural gas capped and blanketed down, of no use whatever to the economy of Canada at the moment. The Minister of Finance is entitled to consider the condition of the economy and the revenues which will come into his coffers should business continue at a high level.

This project; the building of the pipe line itself; the installations in the consumer homes; the installations in industry and the installations in municipal institutions, we thought would run to a cost of something over $1 billion spent in the Canadian economy over the next five years. But more than that, sir, if all this wealth is to be tapped and used, may I point out that this government at the present rate, if these companies are successful in selling their gas at a profit, will take 45 per cent of that profit by way of corporation income tax.

When my friend the hon. member for Esquimalt-Saanich—and perhaps also the hon. member for Burnaby-Coquitlam, but particularly the former—appeals to the Minister of Finance to go out to Vancouver island and explain to his constituents why a municipal corporation has to go without taxes from us, or why the local hospital should not have a wing on it, all I can say is, "Bless your soul, if this project gets going we will have enough money for all the things you have asked for".

Mr. Knowles: Is that a promise?

Mr. Fulton: You had better take that off *Hansard*.

Mr. Harris: No, that is not a promise.

Mr. Fulton: It is a careless exaggeration.

Mr. Harris: I shall enter my little caveat to say I was quite right; literally, we would have enough money for all the projects, but we would use our usual good sense in deciding which ones should be proceeded with.

Mr. Knowles: The leopard has not changed its spots.

Mr. Harris: There is another factor in the economic situation of Canada which ought to be considered, and that is the needs of the province of Ontario. In Ontario we have about one-half the industrial production of Canada and about one-third of the population. When I speak now I am speaking as Minister of Finance, but at the same time I cannot help thinking that I represent a portion of that province. The premier of that province has said on more than one occasion that it is extremely difficult for his government to finance the growing expansion of the province. Indeed, some of his criticisms directed at this government with respect to our tax-sharing agreements are simply that the expansion of Ontario has been so great he has not been able to keep pace with it, because every expansion has required some capital outlay.

Let us consider for a moment what that expansion has meant in Ontario. It has meant something to the rural members in this house. When my hon. friends across the way who represent rural ridings speak about lower prices which they claim the farmer is obtaining, let them consider for a moment what

would have happened in the past five years if the province of Ontario had not expanded at the rate it has. Everyone from rural Ontario knows that the reason the economy in the rural parts of Ontario is reasonably good at the moment is the growth of the cities and the growth in the number of mouths to be fed in those cities. If we did not have that progress the picture might well be different in rural Ontario, because for one reason or another we are becoming more dependent upon our own consumption of goods than we formerly were.

There was a most interesting debate in the Ontario legislature with respect to this, and I should like to quote the provincial treasurer who spoke as follows on February 21:

> The day will soon be upon us when with a continuing growth at the present rate, a shortage of energy resources will set in and progress will accordingly be limited and cut down. It is not only desirable, but is an absolute necessity, that every possible provision be made for access to the people of this province to an abundant supply of natural gas.

I am not going to enter into an argument as to whether prices are adequate or desirable or what they are, because that is a matter of detail with which I am not concerned at the moment. What I am concerned with is that the province of Ontario is, as the provincial treasurer has said, fast coming to the point where sources of energy are becoming fewer and fewer and may possibly dry up. Every member of this house representing an Ontario constituency knows that the Ontario hydro is finding it difficult to look forward and make plans for power for those who need it. Indeed the St. Lawrence waterway, which was expected to provide this additional power, is still a matter of a year and a half or two years from being completed. While I am not prepared to give a precise figure, reading statements made by the provincial people I have come to the conclusion that long before that power is delivered every single part of it will have been spoken for.

If that is so, and even if by making do the province could increase its energy sources somewhat, nevertheless that is not good enough because today there are people in the province of Ontario asking the provincial government when they can have power so they may plan ahead. It is no longer a case of saying, "Well, we think you can have power next week or next month or six months from today." They must know, yet they are being told that their power will not be available until one, two or three years hence.

That is why the premier of Ontario and his government have come to the conclusion that they are ready to put up $35 million with respect to the northern Ontario leg of this pipe line, and are willing to extend the time under which that arrangement was made so as to provide for the passage of this bill in the house. We can then make a partnership agreement on that basis.

What was the alternative to saying that we would provide this? The alternative was to say that we would not. The hon. member for Winnipeg North Centre has said, and has repeated it more than once in this house, that he believes the pipe line ought to be begun this year, of course under public ownership. I do not know of an hon. member, except the hon. member for Royal and perhaps one or two others like the hon. member for Esquimalt-Saanich, who does not agree that it is desirable that this pipe line be begun this year.

What are the alternatives offered by the opposition groups in this house? The Leader of the Opposition, speaking on behalf of his party, has said in effect, "Let us send this to a standing committee, we can do that without interfering with the time element of having the pipe line this year." I must say there is no possibility whatever of this bill going to a standing committee and having the examination he has in mind and coming out in time to have this job done by Christmas in western Canada.

Mr. Fleming: Why not?

Mr. Harris: It has been most interesting to see how the debate has been developed by other members of his party. I had thought all of us felt that as much of this natural gas as could be should be retained in Canada. Indeed it was with some searching of hearts that we decided to grant a permit for the export of 200 million cubic feet. But, as I said before, there has been no criticism on that score because it is recognized that that is absolutely proper under the circumstances. But in this debate we have had the official opposition advocating in this house a plan which calls for the exportation of 400 million cubic feet a day. Now, if we were recommending that—

Mr. Fleming: That is not true.

An hon. Member: Distortion.

Mr. Drew: The plan the Prime Minister did not even know about.

Mr. Harris: I shall be glad to quote it. Before I do so, let me say that if we had been recommending that course, how much would they have talked about the opposition being pro-Canada and the government being anti-Canada. The other day the hon. member

for Broadview (Mr. Hees), the former president of the Progressive Conservative Association of Canada, was speaking and was interrupted by the parliamentary assistant to the Minister of Defence Production (Mr. Dickey). Let me quote from page 4090 of *Hansard* of May 18:

Mr. Dickey: Do you support the McMahon proposals?

Mr. Hees: The McMahon proposal looks like an excellent one. Yes, I certainly do.

If hon. members opposite do not agree with their colleague, and I am not surprised that they do not, what is the situation at the moment? They have no plan as an alternative to that which is being put forward. They agree with the necessity of this job being started this summer. What they are saying in effect is that the government of Canada should not risk $80 million to do it. Let me point out, however, that this government is not risking very much.

Mr. Drew: It is not risking anything; it is risking the taxpayers' money.

Mr. Harris: If this bill passes we will advance 90 per cent of the cost of the western leg. For what reason? In order to be able to deliver gas before winter to the city of Winnipeg, among other things; and to get in one of the two construction years that we always thought would be required for this job. If the house passes the bill the Northern Ontario Pipe Line Crown Corporation will be set up and will be authorized to go forward with its plans in conjunction with the province of Ontario for the purpose of continuing the line down as far as Kapuskasing. The completion of the line from Kapuskasing to Toronto and from Toronto to Montreal may very well be done in the next construction season.

Bear in mind what I have said. If the western leg were started in the summer of 1958 there would be no certainty that the eastern section would be completed by the fall of 1959. What I want to say as a representative from the province of Ontario is that I agree heartily with the premier and government of that province when they say that this would be almost fatal to the progress of this province.

The proposal is that we should advance $80 million to the crown corporation, which in turn will lend it to Trans-Canada for the purpose of getting that pipe laid this summer. When the pipe is laid this summer and the gas comes through to the city of Winnipeg, we shall then have before us the possibility of completing this project next summer. I do not know that this will necessarily occur, but at least it is a possibility.

Why should we do this? My hon. friend from Royal makes the point that we might think this thing over and that there is no great rush; yet he admits that the people in the province of Alberta want to sell their gas now, and not two or three years from now.

We have not heard anything about the people from the province of Saskatchewan, because they have been rather quiet over there, but they will take the gas any time it comes along. The people of the province of Manitoba, and particularly the people of the city of Winnipeg, not only want the gas but they need it. It should be delivered to them at the earliest possible moment.

The people throughout the northern part of the province of Ontario are going to have a fuel substitute for a fuel they now import from Pennsylvania, and at a low cost; and we shall have a greater mining development, which will mean a greater income to this country.

What about the people of the rest of the province of Ontario? There is not a municipality in Ontario on this route which is not waiting for the gas pipe line to come in order to provide gas for them, and that goes for the route from Kapuskasing to Toronto and from Toronto to Montreal. Of course you can make do, but that is not the way in which the Canadian government and the Canadian people want to conduct their economy. One of the reasons this government, as the hon. member for Provencher has said, is so well thought of abroad is that it is stable and you can count on it. What is more, it goes forward instead of standing still.

Mr. Bell: What about the maritimes?

Mr. Harris: I am coming to the maritimes.

Mr. Bell: O.K., let's go.

Mr. Harris: My hon. friend represents a city in which there has been a great deal of the Canadian taxpayers' money properly spent on buildings and harbour installations, and he cannot complain. If it happens, according to the hon. member for Royal, that the only people who are going to benefit by this transaction are the people of Alberta, Saskatchewan, Manitoba, Ontario, and possibly Quebec, may I say to him that he is taking a very short view of what the people of this country think they ought to do.

What we have left are the Atlantic provinces and British Columbia. The Atlantic provinces and British Columbia will inevitably receive that careful attention to their needs that this government always gives to them—

Mr. Bell: Shame.

Mr. Harris: —but to say that we ought to hold up a benefit which is going to redound to the credit of all these people because at the moment it is not possible to do something in some other part of the country seems to me like the very smallest Canadianism we have ever heard of.

Mr. Bell: How about Beechwood?

Mr. Harris: In the course of this debate a great many members on this side have inquired of the official opposition why they seem to be disregarding and not speaking of the position taken by the government of the province of Ontario. I do not intend to be offensive when I say what I am about to say. It would be difficult, sir, under the circumstances, for a Conservative government of the province of Ontario to take any position which might embarrass the Conservative party in this house. It would be most difficult, and I can understand the premier and the provincial treasurer of that province thinking at great length and looking at their words very carefully before either using them or writing them. I can only say that after the fullest consideration those words have been used, and it must have been for one reason. It must have been because they thought it was not only in the interests of the people of Ontario but in the interests of the whole of the people of Canada. May I just quote one sentence from Mr. Porter's letter to Mr. Howe of May 14:

> Every day's delay invites the most serious consequences to the development of Ontario, and to the national economy. In these circumstances, it would appear essential that the western section of the line be completed—

Be completed, sir, not begun.

> —be completed during the year 1956.

Sir, as Minister of Finance I repeat what I said a moment ago when it was suggested to me that the solution to this problem was a loan to a private corporation of $80 million, or approximately that sum. You would understand, and the house would understand, that the Minister of Finance would have to be very careful of what his position ought to be under those circumstances. Yet when I thought it over, when I heard some of the arguments made in the house earlier and when I considered the position the premier and the government of the province of Ontario were taking, I felt that I could not take less than a national interest in this and that I would have to agree in the interests of the Canadian people.

Mr. Ellis: May I call it six o'clock?

At six o'clock the house took recess.

[Mr. Bell.]

AFTER RECESS

The house resumed at eight o'clock.

Mr. Claude Ellis (Regina City): Mr. Speaker, when the house rose at six o'clock we had just heard one of the better efforts from the government benches. To give credit where credit is due, I think that we shall be quite free in admitting that the Minister of Finance (Mr. Harris) to a great extent neatly pulled the rug from under the feet of the members of the Progressive Conservative opposition. However, during the course of his remarks I thought it was quite significant that he made no valid case against the proposition of public ownership. Indeed, throughout the course of this debate I suggest that neither the Minister of Trade and Commerce nor the Minister of Finance has done very much to convince the house that public ownership is not practicable or desirable at the present time.

I note that both he and the hon. member for Provencher, who spoke earlier in the afternoon, tried to put up the proposition that the issue facing the house at the present time is simply a question of whether Trans-Canada Pipe Lines Limited is going to build this line on the one hand or whether no line at all is to be built. In other words, from among alternative schemes they have taken the worst scheme and then they have come to parliament and said, "It is either this or that; you will either accept this package deal which we are trying to ram down your throats or you will stand condemned for delaying this particular project". I think that is a false position the government is putting forward, because there are other alternatives which we should like to examine more closely.

One of the reasons we have submitted a subamendment calling on the house to refer this legislation to the committee on railways, canals and telegraph lines is that such a procedure will give members of the House of Commons an opportunity of hearing some of the reasons why this rather nefarious proposal is the only one the government will consider.

We have heard a great deal of talk about the chosen instrument. Apparently the government is exceedingly anxious to dissociate itself from Trans-Canada Pipe Lines, although I was quite interested the other night in hearing the hon. member for Lethbridge (Mr. Blackmore) suggest that it was not true that Trans-Canada Pipe Lines was the chosen instrument of the government. I have before me his exact words as reported at page 4052 of *Hansard*.

Mr. Blackmore: I am not denying it.

Mr. Ellis: He said this:

> It is not true that the Trans-Canada Pipe Lines company is in any way a favourite or pet of the government of Canada. It is simply the instrument chosen by the Alberta government, and it has done everything it possibly could to comply with the request of the dominion government.

Mr. Blackmore: That is right.

Mr. Ellis: What the government spokesmen have been trying to get across to this house is the proposition that you can get the pipe line built only through this particular arrangement. We do not accept that proposition, because we feel that the most practicable of all the suggestions that have been advanced have to do with public construction of the pipe line in order that it might be owned by the people of Canada. I suggest that the issue is not "Either Trans-Canada or no pipe line". I suggest the issue is whether the government is going to insist, in its folly, on backing up this company which has failed us over the past five years; which came to parliament and obtained a charter under false pretences; and which lied to parliament and to the committee. The sordid story has already been placed on the record.

This parliament obtained from the promoters of Trans-Canada Pipe Lines every assurance that they were ready to go ahead with the project; that all they required was the green light from parliament; that there was money available; that they would have no difficulty in financing the project; that they would use Canadian money; that they would build an all-Canadian pipe line and that they would serve an all-Canadian market. On the strength of these assurances they were granted a charter. Yet what has happened since then? We hear a great deal of talk about delay and about the necessity of going forward now with the immediate construction of the pipe line. I suggest that the main urgency now is of the government's own making. The urgency is that of getting the Liberal party off the hook and sparing Trans-Canada Pipe Lines company from the embarrassment which it so richly deserves having regard to its inaction in the past.

It seems to me, Mr. Speaker, that there are several issues at stake at this time. The question of the pipe line itself is extremely important. Many hon. members have stressed the fact that there has not been a more important piece of legislation before the house in a long time. But even more important to the welfare of parliament and the future of the country is the manner in which the government is trying to ram this proposition through parliament. In this house in the last few days there has been a great deal of loose talk about filibuster.

Some hon. Members: Oh, oh.

Mr. Hosking: We are getting one right now.

Mr. Ellis: When the matter was first brought up, or when notice to move closure at the next sitting was first brought up, I can recall hon. members opposite saying, "We are going to save the taxpayers some money". Is that not an amazing observation to make on this action taken by the government, a thing that has not been done since 1932? If you follow that line of reasoning, or lack of reasoning, a few steps further, you might say that the Liberals could then argue, I suppose with equal logic, that you could save the taxpayers a great deal of money by having no opposition at all.

The Liberals could then say, "We got rid of the opposition. What is the use of having other members of the house around? We might as well pack them up and send them off. They are serving no useful function". Then they could go a step further and say, "Why do we need all these members of the cabinet? They are not serving any particularly useful function. One man can run the government"; and it certainly would not be the Prime Minister. We have heard some talk from the United States in recent months about President Eisenhower perhaps being a part-time president. We are one jump ahead of them. We have a part-time Prime Minister who has abdicated his authority, and who has put control of the government in the hands of the Minister of Trade and Commerce.

Some hon. Members: Oh, oh.

Mr. Ellis: I suggest that during the course of this debate the government has been under continuous fire, yet the Prime Minister has not seen fit to take part in the debate. He has completely ignored everything that is going on in parliament. Of course if the main idea is to fight the next federal election, then perhaps there might be some logic to that particular point at issue.

Mr. Hosking: Talk about the pipe line.

An hon. Member: What are you suggesting?

Mr. Ellis: I am suggesting that in the action which this government has taken it is guilty of the very things which members of the opposition have been saying in recent days. I am not going to repeat them, other than to point out that the guillotine or closure, call it what you will, is certainly the extreme abuse of arbitrary power. In our parliament the opposition has certain duties and certain responsibilities. It has a responsibility to examine government legislation and to offer alternative proposals. Above all, the opposition have a duty to examine legislation, and

when they find a piece of legislation which they feel to be against the interests of the Canadian people they have a duty to use all the methods within the rules—

An hon. Member: To obstruct.

Mr. Ellis: —to put up opposition to that particular measure. After all, if that is not done what is the function of an opposition in a democratic parliament? We hear hon. members opposite call themselves Liberals. The other evening I had occasion to go through a volume of speeches by Sir Wilfrid Laurier entitled "Wilfrid Laurier on the Platform, 1871 to 1890". I read through some of those speeches. Then we find the type of so-called Liberals that we have in this house today, people who will sit idly by and allow an autocratic government to destroy the effectiveness of the opposition by means of the guillotine.

Mr. Hosking: Talk about the pipe line.

Mr. Ellis: Naturally they do not like this line of discussion. I would draw to your attention, Mr. Speaker, the fact that there has been a course of reference to the procedure used by the government. I think the first of the three Liberal members who spoke this afternoon referred at some considerable length to the manner in which the government had put this legislation through the house. I believe it is generally accepted that in the final analysis there is only one weapon which the opposition has in a parliament in which the government has an overwhelming majority; and remember this. The domination of the House of Commons by the government is as absolute as is the obedience of its private members.

I suggest that perhaps as a result of the lecture given recently by the Minister of Trade and Commerce and the Minister of Agriculture, they have certainly indicated to us that they are toeing the party line. We have had Liberal members get up in this house and say, "Well, of course, this is going to pass the house; we know that." Under those circumstances I think it must be admitted that in the final analysis the only weapon the opposition has is opposing the legislation in the hope that eventually the government will be forced to make concessions and bring the legislation more into line with the needs and desires of the Canadian people.

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

Mr. Ellis: When there is closure put on by this government, then I think the hon. member should take whatever time he wants to discuss the matter. Some suggestion was made the other night that he was the spokesman for the oil industry. I took some exception to that because I felt that all government members were spokesmen for the oil industry, and I did not think it was fair to single out one particular backbencher.

We are told by the government that time is of the essence, and that those who are putting up any opposition to this particular bill are guilty of holding up the construction of the pipe line. This is a rather interesting assertion, because the Trans-Canada Pipe Lines company, as I have pointed out, received its charter in 1951. If there has been any delay who is at fault? In his letter to the Minister of Trade and Commerce Mr. Manning says it is not the fault of Trans-Canada. I think the Canadian people have to decide who is at fault for the failure of this company to keep its commitments to parliament. We have been waiting around for five years.

Last November, as a matter of fact, the Trans-Canada Pipe Lines company apparently came to some agreement with the government and they were prepared to go ahead. They had been given this big hand-out in the form of the construction of the northern Ontario section of the pipe line. We thought perhaps they were ready to go ahead with it; but oh, no. There was more delay. Finally we had the second part of this bill brought to our attention a few days ago.

The other night the hon. member for Peace River (Mr. Low) wept crocodile tears over the fact that this delay was costing the producers in Alberta some $50,000 a day. We will accept those figures without comment for the moment, but I should like to point out how much money has been lost during the past two years through the inability of Trans-Canada to fulfil its commitments. The concern over this matter seems to have come a little late. It is only within the last month that there has been any realization that there was gas going to waste in Alberta, and that the Trans-Canada company was not doing the job it had promised parliament in 1951 it would do.

I suggest that if they count $50,000 a day back to November 1 they will find that the inability or refusal of the Trans-Canada company to commence this project has cost many millions of dollars. Who is at fault? Certainly it is not the opposition in parliament. The responsibility for the procrastination and delay in building this pipe line must be laid squarely at the doorstep of the federal government; that is where it belongs.

I do not think any hon. member will have the temerity to go into the country and suggest that because opposition members in

parliament wanted to take a little time to discuss this matter they were delaying the construction of this particular pipe line. I want to suggest that if we had had a government that was a building government—the other day the minister referred to the fact that he was a builder and this was a building government—the pipe line would have been built a couple of years ago. The government would not be coming here trying to scuttle democratic processes and ram through a piece of legislation to bail out a company which has failed the people of Canada for the last five years. We are beginning to wonder just who has the influence and the power in this country, whether it is parliament or some United States-controlled company. If we had had a C.C.F. government on those benches the line would have been built a couple of years ago; there is no doubt about that. I shall make some slight reference to that a little later.

I want to refer now to the excuses being put forward on behalf of the Trans-Canada company by the government and by one of the opposition groups. The old Trans-Canada Pipe Lines company, as has been pointed out before, definitely stated that the export of gas to the United States was not necessary to their plan. They did not say to the Canadian parliament, "We will only be able to go forward with this plan if the federal power commission in Washington grants permission to some United States company to import Canadian gas". They did not say that. They assured parliament that a decision of the federal power commission was not necessary because they did not contemplate the export of gas to the United States.

Under those circumstances what right has this company now to argue that they cannot finance the line because they have not got a decision from Washington? It seems to me there are a lot of short memories on the government side of the house. How can you accept the alibi put forward by Trans-Canada with respect to their inability to finance because there has been no decision reached in Washington with respect to the application of the Tennessee transmission company. Under those circumstances I think the Trans-Canada Pipe Lines company have prevailed long enough on the good offices of the people of Canada. They have been given every opportunity to do the job, but there has been nothing but procrastination and delay.

When this company finally decided it had received enough as a hand-out from the government to go ahead with a small part of the project, they said to the government, "You ram this through parliament by June 7 or the deal is off." They are assured that this will be done, so we have the government putting through parliament a piece of legislation which demands the closest scrutiny of every member. There are many unanswered questions, and every bit of information that has been obtained about this pipe line has been obtained only by tremendous effort to wrest details from the government regarding this scheme.

I suggest that in pursuing this course the government is answerable to the Canadian people. I know that once the Minister of Trade and Commerce said, "Who is going to stop us?" If we want to ram this thing through, who is going to stop us? I suggest that the way this thing will be stopped is by the force of public opinion, public opinion led by opposition members on the one hand and the press on the other.

I have had the opportunity since this pipeline issue came before the house of reading the daily newspapers from one end of the country to the other. I found that without exception there was condemnation by the daily press of Canada in connection with this closure motion.

An hon. Member: The Tory press.

Mr. Ellis: Indeed, the whole pipe-line issue was condemned. I could quote at some length the editorial opinion expressed in these newspapers, newspapers that have consistently, in season and out of season, supported the Liberal party. I have in my hand a copy of the newspaper that has never been particularly friendly to the C.C.F. Over the years this newspaper has given its support to the Liberal party. It is the Saskatoon *Star-Phoenix* for May 16, and in an editorial entitled "The Use of Closure", I find this:

> The federal government's decision to invoke the rarely-employed closure rule in order to limit parliamentary debate and so meet its own deadline for commons' approval of its massive financial aid to the Trans-Canada Pipe Lines interests is a further example of the administration's last-minute desperation in this monumental national issue. After a lengthy cabinet wrangle, the government has committed itself to advance funds so that construction of the western leg of the pipe line can begin this summer.

Oh, yes, they do not mind taking all sorts of time in cabinet, but once the cabinet has made up its mind they are going to ram this through the House of Commons. But to continue with the remarks of the Saskatoon *Star-Phoenix;* toward the end they speak about the "speed at all costs" policy of the government, and they say:

> Surely, then, the long-term interests of the nation require that caution—not "speed at all costs"—should be the watchword. But the federal government, after months of vacillation and confusion, has decided otherwise. The future will

disclose how high a price the nation will be made to pay for this sudden jump into a maze of uncertainties.

This is an opinion from a Liberal newspaper. If I could take the time I could bring into the house ream after ream of editorial opinion from Liberal newspapers across this country. Even the Regina *Leader-Post*, perhaps the most slavish in its adherence to the Liberal party, has gone on record as opposing the use of closure. And I might say, apart from the closure issue itself, there has been generally speaking widespread condemnation of the legislation on which the government has seen fit to use closure to ram through the House of Commons.

Now, Mr. Speaker, we have talked about the need for a different line of approach and about the necessity of constructing a pipe line at the earliest possible moment. We have talked about that throughout the years. We of the C.C.F. have always pointed out that Canada is rich in natural resources. We have always maintained that this government should have a public investment program in order to develop Canadian resources in the interests of the Canadian people. We have pointed to the depression years when the Canadian people were ill-housed and ill-clothed, and yet at the same time this country, with vast resources undeveloped, had a government which sat by and did nothing. We have always urged and advocated the maximum use of Canadian resources in interests of the Canadian people.

Our contention now is that it is not the question of whether a pipe line is going to be built at all, it is simply the question of whether the pipe line to be constructed is going to be a private pipe line controlled by Trans-Canada Pipe Lines or whether it is going to be a crown corporation working in the interests of the Canadian people.

We have had some reference to the difficulties of public ownership. The other night the hon. member for Peace River made a very interesting observation in this connection. When the hon. member for The Battlefords (Mr. Campbell) spoke he referred to the fact that Alberta had gas to sell and after all what real difference should it make who owns the pipe line as long as the province was able to bring this gas to market. I can recall the hon. member at that time saying, "Don't be too sure about that." Well, when he spoke the other evening he put the situation quite clearly, when at page 3931 of *Hansard* he said:

> The government could not possibly start a pipe line this year and I will tell you why. If the government of Canada were to enter into a nationalization program for the building of a pipe line today it would be up against the problem of getting a supply of gas, and I am telling you they would have a very difficult time getting a supply of gas.

If they have all the gas, and if they are losing $50,000 a day, what group of men in control of the gas reserves of this country would then say, "We are not going to make this gas available because we do not like a publicly-owned pipe line." But that is what the hon. member must have meant when he suggested that a government-owned pipe line would not get the gas. Well, of course, that was the story we heard last fall when Canadian Gulf made it known that they were not interested in supplying gas to a pipe line in which the people of Canada, through their government, had any interest.

Who are those producers who would hold up the supply of gas to a crown company? Well, the Minister of Trade and Commerce placed on the record the other day some very interesting information. He pointed out that the gas reserves of the province of Alberta are controlled by four major companies: Canadian Gulf, which controls about one-third of the reserves; Hudson Bay Oil and Gas; California Standard and Canadian Delhi. Then he made a very significant statement a few moments later when he pointed out that three of those four companies are principals in Trans-Canada Pipe Lines. Therefore the situation is that Trans-Canada Pipe Lines are the same people who control the gas reserves in the province of Alberta.

In view of that fact there is a very interesting statement made in the letter from the premier of Alberta which was tabled in the house the other day. In that letter premier Manning stated, as reported at page 4027 of *Hansard*:

> If the project is delayed another year, all present permits, both federal and provincial, and all contracts entered into by the company will lapse by default. It will be extremely difficult to grant further indefinite extensions of the government permits, and almost impossible for the company to retain existing contracts with gas producers.

It is a very interesting situation. Here are the gas and oil companies which control, as the Minister of Trade and Commerce pointed out, a major part of the gas reserves of the province of Alberta, who are the same people who control Trans-Canada Pipe Lines. He says they are going to have difficulty to get permission from themselves to sell gas to themselves. That is what it amounts to. All that would happen, I presume, is that the board of directors of Trans-Canada Pipe Lines would hold a board meeting, and they would not have to send a memorandum or a communique to the directors of the three or four major gas producers in the province of Alberta. They could hold a meeting, adjourn

the meeting and a few seconds later hold another meeting of the same people. Under those circumstances, it is very difficult to understand why the Trans-Canada Pipe Lines would have difficulty in obtaining a supply of gas after those permits had lapsed.

That brings up a very interesting point. In this country we have anti-combine legislation of a sort. It has seldom worked very effectively, but at least we pay lip service to the idea of breaking up a monopoly situation. We find today we have most of the gas in the major gas-producing provinces of Canada owned by four major gas companies, and three of those four companies will own the pipe line. Therefore far from breaking the monopoly control over the gas resources in Alberta, we are going to hand to these companies a monopoly over the transportation of all gas to eastern Canada. Talk about creating monopolies; there you are going to have certainly one of the biggest monopolies in the country.

We talk about public ownership. I want to remind hon. members that in the province of Saskatchewan we discovered gas a few years ago. Within two months of the discovery of adequate gas reserves the Saskatchewan power corporation was building a pipe line. We build pipe lines in the province of Saskatchewan; we do not wait five years. No; we do not enter into all sorts of devious arrangements to get them built. We had a task to do and we went ahead and built the pipe line. The Saskatchewan power corporation built over 323 miles of pipe line in the province of Saskatchewan. What is more, under public ownership we are extending our grids and gas lines throughout the province. We are taking care of the needs of the future.

As a matter of fact, early in April an agreement was signed between the Saskatchewan power corporation, a crown company, and certain of the smaller producers of Alberta, and as a result of this agreement signed between the power corporation and the producers we shall have additional sources of supply which eventually we shall store in the Success field. Through public ownership we have proceeded efficiently and systematically to take care of the needs of the people of Saskatchewan. I suggest there is no reason whatsoever why the federal government could not be doing the same thing, instead of utterly refusing to consider the most practical way of building this particular pipe line.

I want to refer to a remark made by the Minister of Agriculture the other night. When he rose to his feet I thought he was going to tell us that the government are so solicitous of the needs of Canadians that they were going to agree to put up their share of the cost of the South Saskatchewan dam. Apparently he got up to say something about pipe lines and during the course of his address he made a statement that was amazing, to say the least. In the short space of about three lines the Minister of Agriculture deliberately misrepresented the case. What he did was to compare the retail price—

The Acting Speaker (Mr. Applewhaite): Order. If I heard the hon. member correctly he used the expression that the Minister of Agriculture "deliberately misrepresented" the case. It is, I think, the responsibility of the occupant of the chair to see that statements of that sort are not allowed to be put on the record and I feel it is my duty, particularly as the hon. member to whom it refers is not in the house, to raise the question myself. I would ask that that statement be withdrawn.

Mr. Ellis: Mr. Speaker, I think perhaps we know the Minister of Agriculture a little better than do most hon. members of the house. We are used to this out in the province of Saskatchewan, but we are a little concerned about statements like that being made in the house.

Some hon. Members: Withdraw.

Mr. Ellis: The minister the other night was quoting gas prices and he quoted the price to the consumer in Saskatchewan—

The Acting Speaker (Mr. Applewhaite): Order. It is not my job to determine the accuracy or otherwise of the statement made by the Minister of Agriculture, but it is my duty to request the hon. member to withdraw the statement "deliberately misrepresented".

Mr. Ellis: Well, Mr. Speaker, I shall withdraw that statement and simply say the minister made a misleading statement to this house. I am not going into motives at all.

Mr. Hellyer: Why judge other people's motives by your own?

Mr. Ellis: The minister quoted the price to the consumer in Saskatchewan and compared it with the price to the distributor in Winnipeg. There is a 50-cent spread there. I do not think anyone is going to suggest you make a slip when you create the impression in the House of Commons that the people of Winnipeg are going to get natural gas for 30 cents. Of course he was not right in the figure or the price in Saskatchewan. If there is a difference of a few cents we are not too concerned about a thing like that, but we are concerned when someone leaves an impression such as he did the other night.

In the last sentence of that statement, as reported at page 4060 of *Hansard* of May 17, the Minister of Agriculture said:

That is something that is happening under government ownership and control, and about which our friends do not tell us the whole story.

Mr. Hahn: Is 83 cents correct?

Mr. Castleden: You come out and have a look at it.

Mr. Hahn: We want to know.

Mr. Castleden: You will be there in a little while.

Mr. Argue: You would hand it over to some big American corporation.

Mr. Hahn: They charge two bits in Medicine Hat.

Mr. Ellis: The C.C.F. subamendment we are discussing at this stage calls on the house to refer this bill to a committee in order that consideration may be given to the advisability of constructing this pipe line as a public enterprise. Throughout the debate many valid reasons have been given as to why we should begin now with the construction of the pipe line as a public enterprise, but I do not think we have heard any valid reason as to why this course of action cannot be undertaken, nor have we heard any reasonable argument as to why public ownership would not be in the interests of the people of Canada.

We in this group have been consistent in our policy. We have argued that the natural resources of Canada belong to the people of Canada and that we should make them available as quickly as possible and in the greatest quantity possible to the people of Canada; but we argue that this can only be done through public ownership, because it is only in the motives behind economic endeavour that one can see the direction in which a particular policy is going.

We argue that if we are going to turn over the gas pipe line to private enterprise, whether they be Canadians or Americans—and I do not think it matters too much whether the exploitation is done by Canadians or Americans or the people of any other country—the only way in which Canadian control of the pipe line can be guaranteed is through public ownership. The Minister of Trade and Commerce admitted this in debate just a short while ago and I commend this to my Progressive Conservative friends. I might add that the only way in which the interests of the people of Canada can be protected is through the building of this pipe line as a public enterprise in order that the scheme will be of benefit to all Canadians and not to the financial advancement of a small group of people, whether they be Canadians or Americans.

Mr. W. A. Tucker (Rosthern): Mr. Speaker, I would like first of all to deal with the question of closure which has been mentioned by the opposition. In the first place, when the rules were being revised last year I do not recall any suggestion that this provision be dropped from the rules providing for the step that has been taken to bring this debate to an end in time to have a decision made to avoid frustrating the program completely. In other words, as I recall it hon. members of all parties thought that rule was quite proper to be left in the rule book.

Mr. Knowles: We thought it was a dead letter.

Mr. Tucker: Therefore I take it that all parties agree that under certain circumstances it is quite a proper rule to use. Then the idea that there should be a fixed time for debates was also accepted by this house when it adopted the rules. At that time it was deemed wise to set a time limit on the debate on the address and on the budget, and I think the reason for that is that it was felt the objective for parliament is for the position of the various parties to be fully stated, and after that the time would come when a decision should be made. In other words it was considered that parliament has the right as part of its function to listen to the views of the various parties, but parliament should not be prevented from coming to a decision or handling business in a proper way. The idea of limited debate as required by the needs of public business was recognized when we passed those rules.

Some suggestion has been made with regard to this particular bill that it was unusual because it was indicated that closure would be applied the first day of the debate on the resolution. This matter, of course, had been before the house before, and when part of this particular legislation was introduced by way of resolution the C.C.F. party indicated their position concerning the matter by demanding a vote when the very first move was made. They indicated that they intended to fight this measure to the very last in an effort to prevent it going through.

The hon. member for Regina City, who has just spoken, said it was the duty of the opposition, if they do not agree to something, to oppose it with all the means the rules provide in an endeavour to prevent its passage. If that is the duty and obligation of an opposition, it certainly is the duty of a government which has been entrusted by the people with the administration of the affairs

of the country to see to it that the opposition does not by doing that really decide what the policy is going to be. In other words, the effect of allowing an opposition to prevent a thing going through until it would be too late to have the policy decided and acted upon, as would be the case if a long debate were carried on here such as was carried on last summer, would mean that instead of the majority deciding what our policy would be it would be in effect decided by the minority through the use of the rules of the house.

I suggest that that is not democracy. Democracy is rule by the majority, not by the minority. It was very definitely indicated that the opposition, both Conservative and C.C.F., intended to use the rules to prevent this measure going through at all. Had they held it up until it was too late to start construction they would have defeated it just as effectively as if the people had entrusted them with a majority in this house. In other words we would have government by the minority instead of by the majority. I suggest that what we are upholding here is government by the people who were elected to govern this country.

When it is suggested that there is no time for the opposition to state their case against this measure, I submit that is a misrepresentation of the situation. During all the various stages through which this bill must go there are obviously plenty of opportunities for the opposition to state their case if they want to state it. Quite obviously they are more anxious to give the impression to the people of the country that they are being trodden upon than they are to present their case. I think when the debate is over the people in the country will realize that there was plenty of time to debate this matter. When the time comes to make a decision the people who were ready to use the rules and make dilatory motions should not be permitted to dominate this parliament. The majority should decide the policy.

The position of the Progressive Conservatives, for example, was quite clear on the matter, let me refer to what was said by the hon. member for Prince Albert (Mr. Diefenbaker) on April 5 last:

> John Diefenbaker Thursday evening promised that "Texas buccaneers" would not get control of the natural gas outlet from western Canada. The M.P. for Prince Albert told a Saskatoon constituency nominating meeting that the Progressive Conservatives were preparing a fight in the House of Commons on the proposed trans-Canada pipe line that would make the recent filibuster on the Defence Production Act look like a mere skirmish.

I put it to hon. members; if that is the fixed policy of the Progressive Conservatives, would they not have prevented a decision being reached until such a late date that construction would not have been possible this year? In other words, they would have shown that they were masters of parliament instead of the majority. This is what the Progressive Conservatives boasted throughout the country that they were going to do. They object now because the government is using a rule which was introduced by the Conservatives in order to prevent that very thing happening.

Incidentally, when I read that item referring to Texas buccaneers getting control of the situation I noted that the director from Saskatchewan, whom I presume is one of these Texas buccaneers is none other than M. A. MacPherson, who was the runner-up for the leadership when the late Mr. Manion was elected to that position. He must be one of those buccaneers who is in control of this company. The hon. member for Prince Albert said he was going to see to it that Texas buccaneers like Mr. MacPherson would not take control of the situation.

My hon. friends talk about closure, but I never saw any worse closure than they are trying to put on the hon. member for Calgary South (Mr. Nickle). They talk about only having a couple of weeks to debate this thing, but if it had not been for the good will of the Liberal and Social Credit parties they would have prevented the hon. member for Calgary South from speaking at all. The hon. member for Calgary South tried to get the floor on two occasions and on each occasion the member speaking for the Progressive Conservative party objected.

Mr. Green: Mr. Speaker, on a point of order, the hon. member is now discussing a matter which was dealt with the other day when the house was in committee. In effect he is speaking about a ruling which was made. It so happens that Your Honour was in the chair on the first occasion to which the hon. member is referring. You will remember that two Conservatives rose to speak at the same time, and when the member who was next on our list was not seen I asked Your Honour why it was he was not given a chance to speak. It was then explained by Your Honour that Liberal time was being used by this speaker to whom you gave the floor.

The Acting Speaker (Mr. Applewhaite): I suppose I had better rehash this situation. The hon. member for Rosthern (Mr. Tucker) is referring to what he describes as an effort by one party to stop one of their members from speaking. As I take it, he was not discussing a point of order. I am not able to quote from memory what has just been said by the hon. member for Vancouver-Quadra (Mr. Green), but I think unintentionally he

attributed to the Speaker of that moment a more definite statement than was made.

However, the point to be decided is whether or not the hon. member for Rosthern is reopening a point of order or a decision of the house. I did not take it that he was doing so any more than every reference or speech which has been made in this house since the passing of the closure motion last week would also be a reopening of something which has already been decided by the house. As a similar notice has been formally announced for tomorrow I do not consider that a discussion of that motion is out of order.

I know that I rose at five o'clock on Friday to interrupt another hon. member who was in my opinion discussing a point of order from a different aspect entirely. At that time he was criticizing the Leader of the Opposition for a certain action which he had taken in a matter which had been decided and which I regarded as a closed incident. So far I do not consider the hon. member for Rosthern to be out of order.

Mr. Tucker: Mr. Speaker, I was referring to the fact that the Progressive Conservatives have been taking great objection to the fact that they have not been permitted to speak on this measure. I was pointing out that when the member whom they held out as their expert on oil and gas matters saw fit not to be a trained seal, in the terms of the Leader of the Opposition, and not to line up with the Leader of the Opposition, the Progressive Conservative party objected each time that he tried to take the floor and endeavoured to close him off. I wonder whether the test is that you belong to this party, in which event if people do line up they are trained seals, or to the party who tried to keep their expert on these matters from taking the floor. Then we are told by the Leader of the Opposition that the members on this side are trained seals. I never thought to hear anybody belonging to one of the great parties of this country, who was regarded as one of their outstanding members and one of the experts on this matter, have to get up and thank the Social Credit party for being permitted to take the floor. Here is what the hon. member for Calgary South said, as recorded on page 4081 of *Hansard:*

> I should like to express my thanks to the Social Credit group in this house for assisting me by giving me the opportunity to present my views to this house.

These are the people who talk so much about not being able to speak at any length in parliament.

Mrs. Fairclough: How many of your members have spoken twice?

[The Acting Speaker (Mr. Applewhaite).]

Mr. Sinclair: No wonder Drew blushes.

Mr. Tucker: It has been said that the hon. member for Calgary South expressed the views of the Conservatives on matters of oil and gas. He was held out as one of the greatest experts in Canada on this matter.

Mr. Sinclair: And he is.

Mr. Tucker: When he is agreed with by the premier of Ontario, who is one of the leading Conservatives in this country—

Mr. Sinclair: The leading Conservative.

Mr. Tucker: It might be said that he is the leading Conservative, but I am speaking in deference to the Leader of the Opposition, and I am saying that he is one of the leading Conservatives. When the premier of Ontario is following the same line of thought as this outstanding expert, when he dares to disagree with the Leader of the Opposition then his followers try to prevent him from speaking in the house, and he has to thank the Social Credit party for the opportunity to present his views.

Mrs. Fairclough: Your members do not even dare. Show me somebody on your side who dares.

Mr. Tucker: In 1952 the hon. member for Calgary South spoke for the Conservative party and laid down at that time what he thought the policy should be. One of the main items of the policy was the trans-Canada pipe line. That seemed to be the policy of the progressive Conservatives, because in 1954, on the question of Niagara Gas Transmission Limited, the Leader of the Opposition wanted a very definite understanding from the government that when the Niagara Transmission bill passed it would not affect the trans-Canada line. He spoke about the statement of the Ontario fuel controller, Mr. Crozier. As recorded on page 2721 of *Hansard* of 1954, the Leader of the Opposition said at that time:

> It has been mentioned already that this in fact is expected to be a temporary arrangement. It was stated the day before yesterday by Mr. A. R. Crozier, the fuel controller of the province of Ontario, that it is expected that within two years there will be a pipe line from western Canada carrying Alberta natural gas to the Toronto field as well as to other parts of eastern Canada.
>
> What is important is the understanding very clearly expressed by Mr. Crozier, the Ontario fuel controller, and the Ontario minister of mines, to whose department Mr. Crozier is attached, that when western gas becomes available the flow will then be reversed through the pipe line to be constructed under the authority of this act, and Canadian gas will be carried to that area in Ontario through which the pipe line will pass coming from Niagara Falls. This, I think, is clearly understood. However, it should be remembered in considering this measure that in expressing their belief that it is desirable that

authority be granted for the construction of this pipe line, the Ontario minister of mines and the Ontario fuel controller have both made it clear that this is related to an unqualified condition that this area will be available and will be supplied by gas from western Canada when the Canadian pipe line is constructed.

The Leader of the Opposition then went on to deal with this matter. He said that the demand for natural gas was going to be so great that he spoke in these terms, referring to northern Ontario, as recorded on page 2724 of *Hansard* of 1954:

The possible use of gas throughout that area is tremendous. Unless there were diversions of gas from this United States pipe line at different points, there would be nothing to equal the demand that would be created by those very active and important communities which would be using gas from this pipe line.

New demands are emerging almost every day. They are dramatic, they are romantic.

Here was the Leader of the Opposition saying two years ago that the demand was dramatic and romantic. He wanted explicit promises from the government that there would be a trans-Canada built in Canada.

An hon. Member: He still does.

Mr. Tucker: Now he says, "We want a committee set up; we want to find out what it is all about," this matter that was going to be dramatic and romantic and so on. Well, the romance seems to have gone out of the Leader of the Opposition's mind in that regard. There was however another statement made by the Leader of the Opposition which I would like to put to the house for its consideration. He said this, as recorded on page 2723 of *Hansard*:

In dealing with this we should all be assured the government has decided definitely that, subject to the availability of financial resources for that purpose, the all-Canadian route will be encouraged, and the encouragement of that route will not be adversely affected by the support of the measure now before us.

I would ask the house to note the words of the Leader of the Opposition endorsing the all-Canadian route, subject to the availability of financial resources for that purpose. I wonder whether it is unfair to suggest, if that represents the position of the Leader of the Opposition, that we should have an all-Canadian route if financial resources are available, that if he had been head of the government and we had been confronted by the present situation, whereby there would not be the financing from the sale of gas in the United States for some time until this importation was approved by the federal commission, there is the suggestion there that the all-Canadian pipe line would not have been put through. That is a fair inference from that statement of the opposition leader.

I want to say that I am glad we have a government in office which, when confronted with this opposition from the United States power commission, did not hesitate to promise to back $80 million worth of debentures, or rather to see to it that the money was loaned, to be returned with interest so it probably will not cost the government of Canada anything to bring about an all-Canadian pipe line, on which a billion dollars will be spent in the next three to five years. I am glad to support a government that is not ready to back down before a problem like that. I support it with a great deal of enthusiasm.

The Progressive Conservatives have gone about the country pretending that this is a government that is old and decrepit and unable to act. Who are the people who are providing the action today, and who are the people who are opposing it? The people will decide now who are the people who are ready to act and who are the people who are cautious and afraid to risk $80 million in a loan, under which this whole pipe line will ultimately be built in Canada, and which will do all the things the Leader of the Opposition found so romantic two years ago. If they do not repay the $80 million, we shall have the pipe line to Winnipeg at several million dollars less than it cost to build. Yet the opposition is afraid to go ahead with a scheme like that, saying this is a terrible and preposterous scheme and that they will fight it with all their power.

Mr. Fulton: Have an election. Go to the people and find out.

Mr. Tucker: The opposition have been trying since 1935 to get back the support of the people. They will not get it back again by this attitude of fear and caution, this attitude of being afraid to take the slightest chance and, when it is quite obvious that a decision must be made on this matter, saying it does not matter even if it does delay the thing for two years, that it does not matter if it costs western Canada a great deal, that it does not matter if Winnipeg does not get gas for a year or two years, we will make sure that we do not risk the $1 million or so that we might lose if this thing does not go through.

Mr. Fleming: What an imagination.

Mr. Tucker: If the government had been furnished in these last ten years by the Progressive Conservative party with that sort of timidity and fear in dealing with matters, I wonder if Canada would have gone ahead by leaps and bounds as she has, so that in the last ten years she has been the envy of the whole world. Mr. Speaker, we are just at the beginning. We have just laid the foundation for

a still greater Canada. For the next government the people are not going to pick members who are timid and are afraid to take even a little bit of risk in preference to those who will go ahead and, if necessary, stand opprobrium for saying "If you are going to use the rules to prevent the majority from having their way, we will use closure and you can make the most of it". The people of Canada want action in the interests of a greater and better Canada.

I just wish to say a word or two in passing about the C.P.R. I looked up the act with regard to the C.P.R., and I was very much interested to find out that the government of that day wrote into the act, which is chapter 73 of the statutes of Canada of 1872, the following interesting clause to be found at the end of section 6:

> The said railway being in fact a public work constructed mainly at the expense of the dominion for the benefit of all the provinces thereof.

They put it right in the act that the C.P.R. was constructed mainly at public expense.

Mr. Small: And controlled by directors in Canada.

Mr. Tucker: It was no more under control of Canadian directors than this company will be, as pointed out by your colleague the hon. member for Calgary South. I point this out, however, that under this act shares could be transferred in London without any reference to the office located in Canada. Yet they tell us that full control was assured in Canada. They could have transferred all the shares of the C.P.R. right in London without reference to Canada.

For a moment I wish to deal with the position of the C.C.F. party.

Mr. Ellis: Be careful.

Mr. Castleden: On the Saskatchewan dam?

An hon. Member: What is the price of wheat?

Mr. Tucker: I have here the speech of the hon. member for Rosetown-Biggar, the leader of the C.C.F. party, which was delivered over television on May 14, 1956. I should like to read to the house some of the things the leader of the C.C.F. party said.

An hon. Member: We heard him.

Mr. Tucker: Some people did not hear him.

Mr. Knowles: Nobody shot at him.

Mr. Tucker: This is what he said:

> I suppose I shall only be able to cover one, and that's the most outrageous proposal that I think has ever been brought before our parliament.

[Mr. Tucker.]

According to the leader of the C.C.F. party this is the most outrageous proposal that has ever been brought before our parliament.

Mr. Nicholson: Hear, hear.

Mr. Tucker: He continues:

> I refer, of course, to the pipe-line matter.

Then he says this:

> Now, closure means that the debate must end at a certain time after only a few hours of debate.

I wonder how many hours of debate we are going to have before this is over? I wonder if this is a correct statement of the situation.

Some hon. Members: Oh, oh.

Mr. Nicholson: Before the very first speech in the debate.

Mr. MacDougall: Magpies, keep quiet.

Mr. Tucker: He said this:

> Now, closure means that the debate must end at a certain time after only a few hours debate.

I wonder if the C.C.F. still say that this debate on the pipe line can last only a few hours.

Mr. Castleden: What do you call a few hours?

Mr. Tucker: That was an obvious misstatement in the eyes of the whole country.

Mr. Castleden: Ridiculous.

Mr. Tucker: Then the leader of the C.C.F. party said this:

> And this new proposition is the strangest proposition of all. The proposal is, of course, to build a pipe line from the province of Alberta down to supply the cities and towns of the province of Ontario.

This is a strange proposition in the eyes of the C.C.F. What do they think about national development?

An hon. Member: Public ownership.

Mr. Tucker: Of course they think it should be done under public ownership and I shall deal with that matter in a moment. The leader of the C.C.F. also said this:

> . . . but surely no one wants to see this very important natural resource simply made the means of profits and gain for a group of American financiers.

Does anyone think this proposal as it is presently envisaged is only going to make some profits for American financiers? What is it going to do in stimulating development in Alberta? What is it going to do in stimulating development in Ontario? Where are these profits when they are under control by the provinces where the gas is sold and by the province of Alberta where it is produced? Obviously all that will be ensured to these people is a fair profit. The leader of the C.C.F.

in Saskatchewan who heads the government there assures the people that he does not mind these people coming in from the United States getting a fair profit, so where is their objection?

The hon. member for Rosetown-Biggar goes on to say this. He first of all speaks about $135 million to be put up by the federal government and the province of Ontario. Then he speaks about the $80 million, and then he proceeds to add the two amounts together. Then he says this:

> In other words, the governments of Canada will, together, give this project a backing of nearly two hundred million dollars.

They will give this project nothing. Nothing is being given. In one case they are building a crown pipe line which will be owned by a crown corporation. In the other case they are lending $80 million, and the crown corporation part will not be built until the $80 million is repaid. So the loan the dominion government will put into this scheme is $100 million, not $200 million. There is a case of a statement so incorrect as to prove irresponsibility in the eyes of the people. It was a misrepresentation of the first water.

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

Mr. Tucker: When everybody else has been told that he should sit down and wait until the speaker is through, I do not know why I should not be able to go ahead as well as everyone else. Now I just wish to deal with what has been done in Saskatchewan. There the C.C.F. government under legislation just passed is providing a guarantee of $5½ million of the cost of building a cement plant. The promoters putting up approximately $3 million. It was said there and not very seriously denied that these promoters are going to make approximately $400,000 out of the scheme. This is the C.C.F. in action, much different from the C.C.F. down here. I have here the advertisement of the C.C.F. in the election campaign now going on. It says:

> The C.C.F. has helped attract more industry through personal contact with Canadian, American and European industrial leaders by the Premier and other top-level personnel . . . Financial assistance is available to industry.

In other words, their pose to the people of Saskatchewan is that they attracted industry in Saskatchewan by personal contacts with these big financiers in the United States, in order to get them to come into Saskatchewan.

Mr. Knight: Tucker or tyranny.

Mr. Tucker: This is the basis on which they are trying to get elected in Saskatchewan, yet listen to them in the house now.

Mr. Coldwell: We will debate this matter in Saskatchewan.

Mr. Tucker: I know you do not like to talk about this matter. You talk one way out there and act another way down here.

Mr. Castleden: We like the way you act out there.

Mr. Tucker: We have been told that delay does not matter. During the 1944 election the C.C.F. said they were fighting against the big financiers, against these people coming in from the United States and making vast profits. They believed in the Regina manifesto. They were going to eradicate capitalism. As a result of that, after the 1944 election the oil companies pulled out of Saskatchewan. They went to Alberta and there, in 1946, the Imperial Oil company discovered the Leduc oilfield. This set Alberta on the road to the great prosperity she has today. I am convinced that if the C.C.F. government had not driven out those people in 1944, we would have had those discoveries instead of Alberta.

Mr. Coldwell: Where were you in 1943 and in 1942?

Mr. Tucker: Then the C.C.F. government was almost beaten in 1948 because of this action in driving industry out of Saskatchewan. It was seen how Alberta was prospering. Then the premier did the thing he mentions here and began making his personal contacts begging these financiers from the United States to come into Canada and invest. He wrote them a letter guaranteeing that there would be no interference in the ownership of their industries; that they would have a fair profit, and on that basis he lured some industries back into Saskatchewan.

What was the effect? Not long ago there was a smelter being established to look after the ore being mined at Lynn Lake. If we had known we had this gas in Saskatchewan we now know we have; if this work had been done six months earlier and we had known that much earlier, this smelter would have been established in Saskatoon. However, enough natural gas to operate that smelter could not be guaranteed, and what happened? It was established in Edmonton, and all the subsidiary industries that will grow up about this smelter have gone to Edmonton instead of staying in Saskatoon. It was told by a prominent member of the C.C.F. government that if they had been able to develop these resources and learn their position six months sooner, they would have had all this great development around Saskatoon instead of Edmonton.

Does the C.C.F. mean to say that a six-months' delay has not cost Saskatchewan dearly? They say a delay of two years is not important. When one can see the possibilities for development in Saskatchewan, Alberta and Manitoba if we get this natural gas in sufficient quantities, I wonder how any member from western Canada can get up here and say he is so wedded to public enterprise that he is going to fight for it even if it means a delay of two or three years? In the light of the experience we have had in Saskatchewan, in the light of the fact that their own leader in Saskatchewan has had to crawl down from that position and beg for people to come into Saskatchewan to make investments, I wonder how they can continue along that line.

I ask, Mr. Speaker, in Saskatchewan are they going on the basis of no profits to United States investors? Are they going on the basis of eradicating capitalism? No, they are saying their premier induced capital to come into Saskatchewan, and we should elect them again to do more of the same. They talk to us about a chosen instrument and shady deal. I wonder if the C.C.F. party recalls the loan of $75,000 of Saskatchewan insurance office money to Mr. Bodnoff and then shortly afterwards $60,000 was lent by him to a company in which the premier and provincial treasurer were interested. I wonder if that is the sort of thing that gives them the right to talk to this government here in the way that they have?

Mr. Coldwell: You were all through that in the provincial election and you were proven to be wrong.

Mr. Tucker: I might say this, that the way the C.C.F. really thinks is the basis upon which they are appealing to the people of Saskatchewan, and not the nonsense they are talking on the floor of the house. I want to say that the C.C.F. did go to the people in Saskatchewan in 1944 on the basis of what they are talking now. Then they found that if they did not retreat from that position we were going to have no progress whatever. They now ask for support on the basis that under the C.C.F. financial assistance is available to industry. They are giving more financial assistance to the promoters of this cement plant proportionately than is promised to the promoters of this great pipe line project. The promoters of this cement proposition went out and bought a piece of land and obtained a lease for less than $50,000, and they are going to get from the company over $450,000 for that investment.

Mr. Coldwell: Oh, no.

[Mr. Tucker.]

Mr. Tucker: That was not denied. They said, "Oh, well the promoters had some other expenses such as the hiring of lawyers and engineers and so on." They said to a member of the opposition, "Well, that is no greater percentage than you get out of the companies you float". That was the sort of denial they gave. Yet these are the people who take the high stand here and talk about public ownership, talk about not encouraging United States financiers and say they should not be permitted to make great profits. The government told the opposition in Saskatchewan that they had a deadline to meet, and the opposition let second reading go through in less than an hour. That is the difference.

Mr. Castleden: They did not apply closure.

Mr. Tucker: No, because the opposition did not say they were going to fight the thing to the limit. Here are the people who are talking about public ownership, and the last big act of their government was to advance a guarantee of a loan to the company at the bank, $5·5 million, while the promoters of this cement plant are putting up $3 million.

The Acting Speaker (Mr. Applewhaite): I am sorry to interrupt the hon. member but I must inform him that his time is up.

Mr. Drew: Mr. Speaker—

The Acting Speaker (Mr. Applewhaite): Perhaps my voice was lost in the noise, but I had called the hon. member for Okanagan-Revelstoke (Mr. McLeod). Was the Leader of the Opposition rising to speak at this time?

Mr. Drew: I was rising to speak before you had called anyone.

The Acting Speaker (Mr. Applewhaite): I had called the hon. member for Okanagan-Revelstoke.

Mr. Drew: I had risen to speak before the hon. member had sat down. Your Honour will, of course, make such ruling as you see fit, but I want it understood it is not on the basis that Your Honour called anyone.

The Acting Speaker (Mr. Applewhaite): I rather regret that the Leader of the Opposition put it that way, because I did call the hon. member for Okanagan-Revelstoke. However, it is quite customary to extend courtesy to both the Leader of the Opposition and the Prime Minister, and if the hon. member for Okanagan-Revelstoke so agrees the Leader of the Opposition may proceed. If the hon. member for Okanagan-Revelstoke does not voluntarily give way, I must see him.

Mr. G. W. McLeod (Okanagan-Revelstoke): Thank you, Mr. Speaker. At the outset of this talk I want to advise the house, and

especially the hon. member for Moose Mountain (Mr. McCullough), that I have no shares in any oil company; that I am not a spokesman for any oil company, and I have no brief for either Mr. Tanner or Mr. Frank McMahon.

It is not often that I pay tribute to any Liberal speech that has been uttered in this house, but I cannot let this moment pass without saying how glad I am that I happened to be in the house before dinner to hear the straightforward denial made by the Minister of Finance (Mr. Harris) to all the criticism that has been offered.

I think most of us regret that in the debate thus far there has been so much bitterness over a topic that should have been considered very earnestly, quietly and sanely. I am glad, though, that this rancor seems to have disappeared and that we are taking a saner view of the problem which we are trying to solve by bringing out the pros and cons at this time.

There is another hon. member whom I should like to congratulate on this occasion, namely the hon. member for Calgary South, on his able presentation of so many indisputable facts for our consideration. A few days ago we heard a little about trained seals, but this one particular member seems to be one of those independent sort of people who will not submit to training. He just will not put up with the orders of his leader or possibly his so-called superiors. He does not like the Tory tactics. He believes in facts, not fables, and he is trying to live up to that adjective which the Conservatives have attached to the party name, namely "progressive".

For so doing and for having the courage of his convictions he has risked being disowned by his party that claims to be the last bulwark of personal freedom in this House of Commons. Blind to their own actions, they accuse others of obstructing debate; but I am sure the people of Canada will not be so blind to the action that has been demonstrated here.

Then we have the anti-American campaign which the Conservatives let loose in the hope that it would appeal to the people and form a weapon to spearhead their next federal election battle. I would like to put on record the opinion of the Vernon *News*, one of the leading papers in my riding, which dealt with this in an editorial on April 26, 1956. I shall not read the whole article, Mr. Speaker. The heading is:

Prosperity depends largely on United States capital in Canada.

The article goes on to say:

The dangerous luxury of belittling the United States, its people, and its objectives has assumed a new form in Canada.

Northern Ontario Pipe Line Corporation

The Conservative group in parliament, surprising enough, seems to want to assume the leadership here, in its frantic attempt to grasp any stick that will prove a scourge to the government back.

The Conservatives know as well as anybody that if the flow of United States capital to their country was turned off suddenly, our vaunted prosperity would vanish overnight. Canada simply lacks the money to sustain the gigantic volume of investment required.

It is equally false to imply that we are simply hewers of wood and haulers of water for another's benefit. Statistics show that Canada is building a manufacturing plant for processing its own resources at a rate straining its economic being this year.

Anti-Americanism is at the root of such irresponsible talk as has recently come from some Conservatives in parliament. Hating the United States is a luxury far too rich for the Canadian diet.

To this I say amen. On Friday last reference was made by the hon. member for Burnaby-Coquitlam to the British Columbia Social Credit members in this house. It is rather difficult to let this pass without notice. I know this hon. gentleman is in the habit of making irresponsible statements both in and out of the house and has embarrassed himself and his party thereby. Perhaps, like the kick from a mule, we should consider where it came from; but when he tries to imply that I show more allegiance to the treasury of the Manning government than to the welfare of the Canadian people he is going just a little too far. It is just another of his irresponsible statements that I am sure he regrets after he has had time to think and the emotional strain of trying to justify his foolishness has worn off.

Then the other day we Social Crediters had another indirect compliment paid to us. I take the remark of the hon. member for Burnaby-Coquitlam as an indirect compliment, but we had another compliment paid to us by the hon. member for Esquimalt-Saanich. I know it was unintentional; nevertheless I would like to express my appreciation. He was referring to another battle that took place in this house last year over the Columbia river, and expressed great surprise over the fact that Liberals and Social Crediters who opposed each other so bitterly at that time are allies here. At this point I believe it was the hon. member for Dufferin-Simcoe (Mr. Rowe) who interjected, "In the same bed".

I would say to the hon. member that we may be in the same bed but we in this corner are not asleep. I will tell the hon. member for Esquimalt-Saanich and the people of Canada that we Social Crediters look at each question that comes before us on its own merits. Last year we disagreed with the Liberals on the Columbia river question and we opposed them. Now we believe the

Liberal plan for solving the pipe-line question is the best available and we are supporting them. I believe I can go further and say that we bring the same impersonal approach to any national problem that comes up in this house. We are prepared to support any group on any policy that, after careful consideration, we believe is worthy of our support.

In this issue we support the Liberals. That does not mean we have forgotten that our mission in the next federal election is to do our best to unseat them from the throne of government, but we do not believe it is our mission to create issues and try to mislead the Canadian people during this session to find material to work with.

I am glad the hon. member for Esquimalt-Saanich referred to our action on the Columbia river. What action did the Conservatives and the C.C.F. take then? The same as they are taking today, namely obstruction. What a wonderful record it is to place before the people of Canada at the election they are calling for so loudly at the present time, with their tongues in their cheeks.

Our previous speakers, the hon. members for Bow River (Mr. Johnston), Peace River (Mr. Low), Wetaskiwin (Mr. Thomas) and Lethbridge (Mr. Blackmore), have done such a noble job in presenting our views on this question that there is little left for me to say. We are concerned about possible regulations being made to assure control of this great project remaining within Canada. It is the duty of this government and every succeeding government not only to assure control of this company but of all business connected with the development of our resources and our industries, and we would ask the government very carefully to consider and try to formulate some plan to assure that at least 51 per cent of the stock of this company remains under Canadian ownership and control.

We hear about the new national policy of an all-Canadian pipe line, Canada first, and so forth. We believe that the people of Canada favour such a policy as this, and Social Crediters for years have endorsed such a policy. In fact, I remember a few years ago we were quite strongly criticized for advocating so vociferously the plan of Canada for Canadians.

In this connection we must admit the present government came out with this policy in connection with the pipe line, possibly with an eye to the 1953 election, at a very embarrassing time for the promoters of Trans-Canada. In negotiations and planning up to that time no such policy was announced by this government. This upset the plans of Trans-Canada, and through this new policy the whole problem of financing arose and created the present delay. In order to meet the changed position of the government and construct a line over an uneconomical route, it would not have been any great surprise if the matter of subsidy had entered the picture.

To the honour of the backers of Trans-Canada I will say they did not ask for subsidy; they have merely asked for a loan, although a great many hon. members of this house do not seem to know the difference between a subsidy or a direct grant and a loan. A subsidy would not have been any different from that which was given to the Canadian Pacific Railway for the construction of another great means of transportation across this country which meant so much in value to the east and the west. But instead of asking for a subsidy they asked for a loan in order to get on with the job more quickly than was possible with the finances they had at their disposal at that time, and in order to build the line to comply with the stipulations laid down by this government.

As I said, we support this national policy, but I believe it should not be a policy which this government may turn on or off in considering individual projects. I am glad to see it so rigidly adhered to in the development and control of our uranium industry. Why is it not applied to our iron ore development? Why do we not have a national policy with regard to iron ore that will build up industries in Canada to process the ore for our own use? Why did we not have a national policy with regard to the St. Lawrence seaway? I would suggest to this government that in all developments and in all projects of national interest the same yardstick of Canada for Canadians should apply. Then we will not have last minute obstacles thrust in the way of development as happened when the new national policy was applied to Trans-Canada.

Now I would like to stress a few points that are directly related to the urgency for immediate action. We have heard a great deal about this matter of urgency; we have some who think the project is not very urgent and of course we have others who believe it is something that should be proceeded with immediately. It is important and it is only right that every phase of this matter should be carefully discussed and the facts—and I stress the word facts—should be presented to the Canadian people. In the debate thus far I am afraid political expediency has been a major consideration in many of the speeches. Now, what are some of the facts?

First there is the urgency that has been stressed by the sponsor of this bill and by

other speakers. I believe there is urgency. This pipe line is a means of distributing a wasting product from Alberta to parts of Canada and the United States where it could be used to advantage. Every day the project is delayed means a loss of $50,000 to Alberta producers. We have heard this laughed at in this house tonight, Mr. Speaker, yet I wonder if that is the way to treat a direct loss which is of such vital concern to the Alberta producers? Perhaps the amount of $50,000 a day does not seem very large, but if we total that sum for a year we have a figure of $18,250,000.

To my mind that is a lot of money; yet that will not be the greatest loss. Householders in eastern Canada are getting tired of shovelling United States coal into their furnaces. Industry is crying for natural gas and promises great expansion when this fuel is available. In this respect I am prepared to accept the words of Premier Frost of Ontario when speaking of this pipe-line deal. I know these words have been quoted many times in this house; nevertheless I am going to quote them again. Premier Frost said:

> Time is the very essence of this arrangement and every day's delay invites the most serious consequences to the national economy.

I like that word "national", Mr. Speaker, because it shows that the premier of Ontario is looking beyond the confines of his own province which plays such a vital role in this country of ours.

Agreed on urgency, the question then arises; how to get the line constructed in the least possible time? We have listened to the facts as presented by the minister in introducing the resolution and later the bill. We have made our own investigation and studies of the requirements for prompt action. We have talked with some of the principals involved in the plan and we find this. First, Trans-Canada Pipe Lines has contracts for the purchase and delivery of the pipe necessary for immediate construction of the line. There is an extensive backlog of orders for such pipe, and if not accepted by Trans-Canada it would be immediately sold to others who are clamoring for it and who have unfilled orders waiting.

Second, Trans-Canada has connections and contracts with affiliated and independent producers who are in control of sufficient gas to feed the pipe line the moment it is ready to receive it. Third, Trans-Canada has distribution arrangements planned to take care of the gas as soon as it starts flowing to the eastern outlets. Fourth, Trans-Canada has the right of way, has completed surveys and preliminary planning, and has sufficient capital in cash to finance the 10 per cent of the cost of the western section of the line.

Knowing these facts, I believe no one will dispute the claim that Trans-Canada is the only company in a position to start work at once and satisfy the urgent demands for early construction of the line. With this established, the matter of the government plan for financing enters the picture. Again I would accept the view expressed by Premier Frost in these words:

> That the Howe plan for doing so through the Trans-Canada Pipe Lines Limited deal . . . offers the only possibility of getting the line started this year.

In the matter of financing we hear queer statements, statements that I am afraid are irresponsible and made for the purpose of leaving a false impression in the minds of the Canadian people. Today our people are thinking for themselves and, thank goodness, arrive at their own conclusions regardless of political oratory. The Canadian people know the difference between a loan and a gift. They know that money loaned at a rate of 5 per cent interest and secured by all the assets, contracts and agreements of the party getting the loan is not a gift, and I am sure they will not seriously believe the wild statements of the C.C.F. and Conservative parties about the use of taxpayers' money to subsidize Trans-Canada. It is a hard and fast business deal, and in my estimation the government has driven a hard bargain. In fact I wonder that Trans-Canada would accept a loan under such strict terms. It certainly must have had every confidence that it will be able to meet the debt in full when it falls due in March, 1957.

Mr. Nesbitt: The hon. member who is now speaking, or rather reading every word of his speech, is I submit breaking the rule which Your Honour has mentioned on numerous occasions about reading speeches.

The Acting Speaker (Mr. Applewhaite): I think it has been decided quite often that the only decision which a Speaker can make is to request an hon. member to discontinue reading his speech if he is doing so. It has been decided by more than one Speaker during the last few months that there appears to be no provision in the rules which makes it possible to enforce a strict rule against the reading of a speech if the hon. member who has the floor states that he is following his notes very closely.

Mr. McLeod: I would inform the hon. member that I have quite copious notes in front of me. I will say that if he wishes to read what I have written here and what will appear in *Hansard* I am sure he will find there is some little difference.

We have heard much about the dangers of United States capital. I am not an advocate

of foreign capital. I believe I made reference to this in my budget speech delivered in the house some time ago, and I have not changed my mind one iota. I believe it is certainly preferable to have our industry and other projects financed by Canadian capital. Only this evening I received a copy of the *Manitoba Co-operator* which I think every hon. member received. I commend to hon. members the article which appears on page 4 entitled "Yankee Dollar". That bears out what I said in my speech some weeks ago and what I have said in public in different parts of this country, that we in Canada are not very good investors when it comes to putting out money in what we call risk ventures.

Perhaps if our C.C.F. friends were in power they would find some means of forcing our citizens to invest their money, but we who deplore the fact that they are not doing so still believe it is the right of each individual to use his money as he sees fit. So long as Canadian capital is not available for development purposes I claim it is a good thing for Canada that outside capital is available. I contend that when outside capital crosses the Canadian boundary it ceases to be foreign and becomes Canadian capital.

I know that someone else is anxious to get the floor, and I shall gladly give it to him at this time.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, this afternoon I was pleased to join with the Prime Minister in the suggestion that all hon. members rise and sing "God Save the Queen". I wish it were possible to feel that there had been a continuing recognition throughout the day of the traditions expressed in that way when we first met this afternoon.

On this day when we were asked to pay our tribute to the Queen herself and in doing so to recognize the traditions of the crown and its relationship to parliament, we have seen once again the denial of a fundamental right of parliament by the introduction of closure without any real opportunity for debate. Hon. members on the other side who say the records will show that there has been plenty of debate seem to disregard completely the fact that we have seen closure applied in a way that it has never been applied before, either here or at Westminster.

An hon. Member: Baloney.

Mr. Drew: That is a typically intelligent interjection from the other side and from the hon. member who made it.

An hon. Member: By the meathead.

[Mr. McLeod.]

Mr. Drew: There has never been a similar application of closure in this parliament or at Westminster. On the first occasion when closure was applied here the bill was introduced on December 5, 1912, and closure was applied on April 10, 1913. On every occasion there has been an extended debate.

I am not going to argue the justification or otherwise of closure at some point in an extended debate. However, I am going to point out that members of the Liberal party used the term "dictatorship" and every other vigorous term they could think of to describe the application of closure even after the debate had been going on for some weeks. Never at any time has there been a case of the very first speaker in the debate giving notice of closure, as the Minister of Trade and Commerce did last week when this measure first came before us.

Let us remember that this is not the measure we discussed on March 15, nor is it the measure which was announced in the speech from the throne on January 10. This is a new measure with a new purpose and one which presents an entirely different aspect to the whole discussion. Nevertheless, without hearing even a single speaker the Minister of Trade and Commerce said that just as soon as the rules made it possible they were going to close off the debate.

Mr. Forgie: A businessman.

Mr. Fleming: A dictator.

Mr. Drew: I hope the remarks which are being placed on *Hansard* are being duly attributed to the hon. member who is making the interjections. The hon. member for Renfrew North (Mr. Forgie) is giving a fairly vigorous indication of the attitude of many of the members opposite to this extremely important subject of closure.

We had the ending of the discussion in the committee stage, when the house was called upon to express the opinion that it was expedient to introduce a bill. We were denied the opportunity to have a real debate on that motion. We now have second reading before us. After two days of debate the very first proceeding in the house today constituted a reassertion of the gag, and the indication that the government does not intend to permit a real debate.

To hear some hon. members opposite discuss this subject you would think it was a real privilege for members of the opposition to be heard at all. I would ask some hon. members opposite to remember that it was as the result of extended debate last year that the government finally came to its senses. As the result of expressions of opinion right across the country the wide powers

sought by the Minister of Trade and Commerce under the Defence Production Act were not extended and made a part of the permanent laws of this country. This is the same minister, and in the same manner, at that time, who sought to have permanently embedded in our laws the dictatorial powers of that emergency wartime legislation. The government was saved from a very improper course by the expression of opinion right across Canada that this would be improper, and it is to the credit of those members of the government who heeded that expression of opinion that the opposition's proposal was accepted.

Now we seek the same democratic right to express our opinion here, which can explain to the public what the issue is and in turn give the government the advantage of an expression of opinion across Canada from the press and from the people. Surely the government is not unaware of what the press is saying about this extraordinary measure. Surely the government is not unaware of what the press is saying right across Canada about the gag rule. Surely the government is not unaware that almost without exception the press generally is expressing opposition to this government arbitrarily putting up the taxpayers' money from the treasury of Canada to the extent of 90 per cent of the cost of this operation, and then handing over the benefits of that operation to an organization which is 83 per cent owned by investors in the United States. Do not repeat that absurd talk about our being opposed to United States investment.

Some hon. Members: Oh! Look at the record.

Mr. Drew: We are asking the government to insist that the United States investment they claimed they had available should be put into this venture so it can be completed without government intervention. In view of the very familiar sounds I just heard, which unfortunately cannot be recorded in *Hansard*, and which I described on an earlier occasion in terms that I deemed appropriate, I perhaps should frankly admit that I have had a number of communications expressing criticism of my description of members opposite as trained seals, and I should place one of those letters on record because it is typical of the letters I have received.

An hon. Member: Identify it.

Mr. Drew: I shall identify it. It is written by a man named John R. Harger, the president of The Rapid 5 System of Canada, White Rock, British Columbia, and it was received in my office on May 14. It is addressed to me personally, not marked "confidential". It states:

Dear Mr. Drew,

I am a visitor in the fair city of Ottawa. I notice on the quaint old street cars a sign saying—Ottawa Be Kind to Animals Week.

Have you noticed that sign Mr. Drew? I fear not. Just the other day I read in the paper that you, publicly in the house compared the government backbenchers to an "anvil chorus of trained seals".

Mr. Drew this was a very unkind thing to do to the seals, the seal is a useful, valuable, and relatively intelligent animal (or mammal). In view of the fact that it is "be kind to animals week" Mr. Drew, you as the Leader of the Progressive Conservatives should set a better example to all good men, in fact you should apologize to the seals, publicly for this unkind thing you have done—perhaps thoughtlessly to them.

Yours truly,
John R. Harger.

An hon. Member: Is that the reaction?

Mr. Drew: Yes, that is the reaction of the public, that they think it was an unfair comparison because they think the seals show more sense.

Mr. Speaker, when we come to the question of closure, we are dealing here with the right of hon. members to be heard, and I would point out to Your Honour and to the members here that on this very important subject only a few speakers on this side have yet been heard. Only a few of the Conservative members have had an opportunity yet to speak.

An hon. Member: They have nothing to say.

Mr. Drew: Six out of 53 have been heard in this debate, and that is described by the hon. members opposite as placing obstruction in the way. I wish that we would hear from the Prime Minister how he justifies this arbitrary denial of the right of debate, which had such successful consequences last year and which brought him to a recognition of the fact that it would be wise to retain the authority of parliament over the business of the people of Canada. We have the right to use the only weapon the opposition has—

An hon. Member: Gas.

Mr. Drew: —and that is the expression of opinion conveyed through the press in the gallery to the public. That, after all, is the democratic system, about which some comment has been made. Let the members opposite permit this democratic system to work. Let there be time for the public to express their opinion. This government is afraid of public opinion. This government is afraid to let that opinion be formed. That is why they are applying closure, not because of any deadline date.

Northern Ontario Pipe Line Corporation

This pipe has been contracted for; this pipe is ready for delivery. This government, under a method that would assure control to Canadians, could assure the construction of this pipe line this year without handing over the benefits of Canadian investment to an organization that is 83 per cent controlled in the United States. That would be democracy in action, and that is what we are asking when we object to closure in this manner.

There will be short speeches tomorrow. Others will have other matters to put forward. I shall at that time continue my remarks but, before I sit down tonight, I hope I may be permitted to draw a similarity between the attitude of this government and that of Oliver Cromwell many years ago. When we hear about the fact that there must be no opposition and no delay, I am reminded of the close of Oliver Cromwell's speech to parliament on January 22, 1655, just 301 years ago. This is Cromwell speaking to parliament. This is the dictator who was an admitted dictator:

> I think it my duty—to tell you, that it is not for the profit of these nations, nor fit for the common and public good, for you to continue here any longer, and therefore, I do declare unto you, That I do dissolve this parliament.

That, of course, was a dissolution that was intended to not permit the people of the British Isles at that time to express an opinion, but may I say once again that this government has no mandate to carry out this improper procedure. This government has no mandate to use the Canadian taxpayers' money to finance a venture to the advantage of United States investors. We ask the government to go to the people and let the people say what they want done on this occasion.

Mr. Speaker, I call it ten o'clock. I move the adjournment of the debate.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, on a point of order, before that is done, may I point out that in this debate we happen to have another party in the house which is in agreement with the government, and it has often been difficult to decide the sequence of speakers. Earlier, while Your Honour was not in the house, the Leader of the Opposition sought to speak at about, I think, twenty past nine; and quite properly, I think, having in mind the distribution that had been placed before him, the chairman of committees saw another member who had risen on one, if not two, previous occasions. Nevertheless, it is not the desire of the government that we should not hear the Leader of the Opposition at whatever reasonable length might be desirable. As a matter of fact, two members of the Progressive Conservative party this afternoon took part in this debate and three, I think, on the government side.

Mr. Nowlan: Four.

Mr. Harris: All right; four.

Mr. Nowlan: You forgot yourself.

Mr. Harris: At the same time, Mr. Speaker, I should point out that the official opposition put their case in on this motion by the hon. member for Prince Albert, who I think spoke for about 1½ hours. Nevertheless, if it would meet the unanimous wish of the rest of the house, the government would be prepared to sit until 11 o'clock if the Leader of the Opposition desires to take that time now.

Mr. Drew: Mr. Speaker, I rose at a time when I believed it was appropriate that I should be recognized. However, I was not recognized. I do not now question that decision. Permission to carry on the debate is not in the hands of the government alone. I therefore do not propose to seek consent from the house at this time. We shall be sitting until long after one o'clock tomorrow night. I do not propose to extend my remarks at this time and to seek from the members of the house any concession that is not appropriately provided under the rules.

On motion of Mr. Drew the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this debate tomorrow, Mr. Speaker.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

NATIONAL HEALTH INSURANCE

Question No. 455—**Mr. Stuart (Charlotte):**

1. Have any of the provincial governments agreed to join with the federal government in a plan for national health insurance?
2. If so, which provinces?

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

1 and 2. The provinces of British Columbia, Saskatchewan and Alberta have accepted in principle the federal proposal respecting hospital insurance and laboratory and radiological diagnostic services.

FAMILY ALLOWANCES

Question No. 458—**Mr. Van Horne:**

What action, if any, has been taken to pay family allowances for children of unknown parents to the persons or institutions who are taking care of such children?

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

Those persons or agencies who have the care and custody of children and provide their maintenance may be paid family allowances for such children, if they are under 16 years of age and otherwise eligible. This applies equally to children of unknown parents.

Payment on behalf of such children may not, however, be made to institutions. Numerous children in institutions receive the benefit of family allowances since payment can be made to persons who qualify under the legislation as the parents of such children, providing these parents maintain the children substantially in the institutions.

Questions

PENITENTIARY RIOT, SASKATCHEWAN

Question No. 466—**Mr. Diefenbaker:**

1. Has an investigation taken place into the causes of the riot in the Saskatchewan penitentiary last July?
2. If so, what were the basic causes?
3. What changes have been made in the penitentiary to remove the reasons which contributed thereto?

Answer by: **Hon. Stuart S. Garson (Minister of Justice):**

1. Yes.

2. The investigation disclosed that there were no basic causes which might have justified the riot in question. The disturbance was instigated and carried out by a small group of anti-social, ill-intentioned inmates, some of whom had participated in similar disturbances at other institutions.

3. Steps have been taken to restrict the activities of the ringleaders and to segregate them as much as possible from the rest of the prison population, the majority of whom took no part in the rioting and damage.

NON-CANADIAN INDUSTRIAL PLANTS, 1945-55

Question No. 500—**Mr. Lafontaine:**

1. How many firms from other countries have established industrial plants in Canada each year from 1945 to 1955 inclusive?
2. How many of these plants have been established each year in each province?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1. 850 firms of foreign origin have established manufacturing facilities in Canada during the 10-year period 1946 to 1955, inclusive. Corresponding information for 1945 is not available.

2. The provincial breakdown of the manufacturing plants established by foreign firms follows:

Year	Nfld.	N.S.	N.B.	P.Q.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1946		1		13	27	2		2	1	46
1947			1	10	20	1		1		33
1948		1	1	8	31					41
1949		2		13	53			2	2	72
1950		1		26	48				4	79
1951			1	36	52	1			1	91
1952			1	25	75	2	1	4	2	110
1953	2			19	95		1	3	3	123
1954				16	95	3		1	5	120
1955	3	2		15	103	1	1	4	6	135
Total	5	7	4	181	599	10	3	17	24	850

Note:—These are net totals, meaning that deductions have been made of companies that established facilities in Canada and subsequently discontinued operations.

HOUSE OF COMMONS

Tuesday, May 22, 1956

The house met at 2.30 p.m.

MISCELLANEOUS PRIVATE BILLS

Seventh and eighth reports of standing committee on miscellaneous private bills. —Mr. Henderson.

BUSINESS OF THE HOUSE

PIPE LINES—MOTION THAT DEBATE BE NOT FURTHER ADJOURNED

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

That the debate on the motion for the second reading of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, and on any amendments thereto, shall not be further adjourned.

Mr. Drew: Shame.

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

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Bourget
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Dupuis
Enfield
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Valois
Viau
Villeneuve
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—142.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nicholson
Nowlan
Pallett
Pearkes
Poulin
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr

Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)—67.

CITIZENSHIP AND IMMIGRATION

STRATFORD, ONT.—REPORTED ACTIONS OF OFFICER OF DEPARTMENT

On the orders of the day:

Mr. Speaker: I see three hon. members on their feet but not saying anything. The hon. member for Perth did not say, "Mr. Speaker".

Mr. J. W. Monteith (Perth): Yes.

Mr. Speaker: I am sorry; I did not hear him. Perhaps it may be because my attention was concentrated on the hon. member for Kamloops (Mr. Fulton) and the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Monteith: I would like to ask the Minister of Citizenship and Immigration a question on the basis of information appearing in the London *Free Press*, concerning which I have sent him the clipping. Has the minister any comment or explanation to offer with regard to the alleged actions of an officer of his department at Stratford, Ontario, in fleecing recent immigrants of money on the ground that he would use his influence with the department on their behalf?

Mr. Speaker: Before the minister answers, may I state to the house what I understand to be the position? Just before the orders of the day for resuming the adjourned debate on the motion for second reading of the bill, the minister was in order in moving his motion that has just been carried by the house. I do not think that it was the intention to cut off the period of oral questions, but if it is to take place I want it to be understood that there cannot be any intervening motions during that period. As long as this position is protected, I think hon. members can have their questions, if that is the wish of hon. members.

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The person referred to in the item in the London *Free Press* to which the hon. gentleman drew attention is an employee of my department against whom certain allegations of irregularities were received some little time ago. A preliminary investigation was launched immediately, and some two weeks ago the employee was suspended, and the investigation is continuing. In view of those circumstances, I do not think there is anything else it would be proper for me to say.

Mr. Monteith: A supplementary question.

Mr. Speaker: I take it the hon. gentleman wishes to ask a supplementary question.

Mr. Monteith: Yes, I do. I wonder whether the minister would inquire into how many of these unfortunate people have been victimized, how much money is involved, and what action has been contemplated by the department.

Mr. Pickersgill: I said that an investigation had been launched some considerable time ago, and I do not think I should be a party to any trial of any person in the newspapers.

PIPE LINES

TRANS-CANADA PIPE LINES—REQUEST FOR TABLING OF AMOUNT OF SALES CONTRACTS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Trade and Commerce. During the course of the pipe-line debate can the minister table in the house the total amount of Trans-Canada's sales contracts in terms of millions of cubic feet per annum excluding those contracts which, of course, are dependent on federal power commission approval?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I do not have that information in my possession. I will make inquiries and find out if it is in the possession of the government. If not, I will not be able to table it.

IMMIGRATION

REPORTED DEPORTATION OF PAKISTAN STUDENT

On the orders of the day:

Mr. John Hunter (Parkdale): I should like to direct a question to the Minister of Citizenship and Immigration. Is it true that the nephew of an Asian prime minister was deported, as is reported in the *Globe and Mail* today?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): No, sir, that statement is entirely false. I must say I was shocked that a member of the bar, for whom I have always had great personal respect, should have taken the affairs of one of his clients and used them apparently to make rather cheap politics. Practically every statement that appears in the story of the *Globe and Mail* is incorrect, and I have found that the *Globe and Mail* is generally very accurate in its news reports, whatever one may think of what appears in its editorial columns.

Mr. Fulton: Could the minister give us the correct version in view of the widespread interest this report has aroused?

Mr. Pickersgill: Well, sir, I hate to take the time on a day like this—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —but very briefly the situation is this. The young man referred to was admitted as a student. He failed in his examinations at the end of the first term. In fact, he came last in a very large class. Instead of going on with his studies, he then applied for permanent landing. To have landed him would have meant the denial of landing to someone else under our agreement with Pakistan. Under the law he was very properly ordered deported, and at the request of his solicitor ample time was provided for him to take voluntary departure, in fact, more than ample time.

He did take voluntary departure and he was assured that the fact that a deportation order had been issued against him would not be held against him if he applied for subsequent admission under the quota under the agreement we have with Pakistan. I do not think anyone could have been more fairly treated considering the law as it is, and I am all the more astonished, therefore, at what appears in the newspaper.

Mr. Fulton: The situation then is that his deportation from Canada was, in the minister's view, made obligatory because of the quota arrangement now prevailing.

Mr. Pickersgill: His deportation was ordered because he had come here as a non-immigrant and had ceased to be a non-immigrant under the terms of the act.

INQUIRY FOR RETURN

LIGHTHOUSE KEEPER APPLICATIONS

On the orders of the day:

Mr. A. E. Robinson (Bruce): I wish to direct a question to the Minister of Transport. Would the minister attempt to have my question, No. 470, dealing with lighthouse keepers' appointments answered as soon as possible? I understand it was an order for return.

Hon. George C. Marler (Minister of Transport): I can only say to the hon. gentleman that I shall look into the matter and see when the information can be given that he is seeking to obtain.

GRAIN

CHURCHILL—REPORTED INCREASE IN ELEVATOR SPACE

On the orders of the day:

Mr. A. M. Nicholson (Mackenzie): I should like to direct a question to the Minister of Transport. Has his attention been drawn to the Canadian Press story from Winnipeg in this morning's *Globe and Mail* that the elevator space at Churchill might be increased by 50 per cent this year?

Hon. George C. Marler (Minister of Transport): I can answer the first part of the hon. member's question by saying that he drew my attention to the article in question earlier in the day, but I should like to reply more fully by telling him that though the grain facilities at Churchill are constantly under consideration by the national harbours board there are no plans for any immediate increase in the storage capacity at Churchill.

(Translation):

HOUSE OF COMMONS

QUEBEC PROVINCIAL ELECTION—INQUIRY AS TO INTERVENTION BY PRIME MINISTER

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, I would like to put a question to the Prime Minister. In view of the fact that federal ministers and Liberal members have been taking part in the present Quebec provincial election campaign, would he tell us whether he intends taking part himself?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I hardly think this is a matter for the federal House of Commons. I am a voter in the province of Quebec, as are also members who sit here for federal constituencies from that province, including those who sit on the government side, and every Quebec elector is free to act as he chooses as a citizen of that province.

Mr. J. Wilfrid Dufresne (Quebec West): May I ask the Prime Minister a supplementary question?

Could he tell us from whom those who are now taking part in the provincial elections in Quebec have received their orders?

Mr. St. Laurent (Quebec East): Mr. Speaker, the members from the province of Quebec, including those who are ministers, receive no orders from anyone in this connection.

(Text):

NATIONAL DEFENCE

H.M.C.S. "PREVOST", LONDON, ONT.—ALLEGED DELAY IN CONSTRUCTION

On the orders of the day:

Mr. H. O. White (Middlesex East): I should like to direct a question to either the Minister of Public Works or the Minister of National Defence. Since the new site for

H.M.C.S. *Prevost* has been acquired in London, Ontario, why the delay in the commencement of construction and when will construction begin?

Hon. R. O. Campney (Minister of National Defence): I think the completion of the transfer of the property took a good deal longer than was expected and has just recently been completed. At the moment I cannot tell the hon. member when construction will start but I understand the site has now been cleared legally so we can proceed.

Mr. White (Middlesex East): Will construction begin before September?

Mr. Campney: I am sorry, but I cannot answer as to the date.

PRIVILEGE

MR. KNOWLES—REFERENCE TO ANSWER BY MINISTER OF TRADE AND COMMERCE ON MAY 18

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. On Friday of last week in response to a question I put to the Minister of Trade and Commerce on three occasions regarding Trans-Canada's option to purchase pipe in the United States the minister stated, as recorded on page 4068 of *Hansard* for May 18, that the option had been translated into a firm contract and that he would table a copy of that contract either Friday or Monday. Yesterday, his parliamentary assistant tabled a document which had been labelled as sessional paper No. 174-S, which I presume is the contract referred to by the minister on Friday.

My point of privilege, Mr. Speaker, is that since the minister said this was a firm contract there must be something missing from this voluminous sessional paper, for in at least three places in this sessional paper it says clearly that Trans-Canada's option to purchase the pipe is still contingent upon Tennessee letting Trans-Canada know that it has obtained all the necessary licences and permits to import gas into the United States. Therefore, I should like to know from the Minister of Trade and Commerce whether there are any other documents or any portions of this agreement which he has not tabled, in view of his statement last Friday that what he would table would be a firm contract.

Right Hon. C. D. Howe (Minister of Trade and Commerce): My reference to a firm contract—a contract involving payments from a non-existent company cannot be a firm contract. If the hon. member will look at the correct document he will see that as soon as assurance can be given that the necessary legislation has been obtained on or before June 7 of this year, an indication of that fact will make the document a firm contract. Naturally, you just cannot get a firm contract until the government can do its part. By whom would the firm contract be implemented?

Mr. Knowles: Is the minister aware that the agreement itself which is at the beginning of this document tabled yesterday says that, in addition to the passing of the bill now before parliament, the conditions set out in exhibit A to exhibits I and II of this document must be met? Is he aware of the fact that in at least two covering letters it is stated by Tennessee, Hudson Bay and Canadian Gulf that clause 2 of the stock option agreement is still in force, and that that clause 2 of the stock option agreement which appears twice in this document says that, and I quote from clause 2:

> Tennessee shall assign such purchase orders to Trans-Canada within sixty (60) days after Tennessee has notified Trans-Canada that there have been obtained all certificates, licences and permits which, in the judgment of Tennessee, are necessary and sufficient to authorize Midwestern Gas Transmission Company, a Delaware corporation affiliated with Tennessee, to construct and operate a natural gas transmission pipe line system extending from the international boundary near Emerson, Manitoba, to connect in the state of Tennessee with the pipe line system of Tennessee and to take gas from Trans-Canada at Emerson, Manitoba.

Is the minister not aware that his whole case, which is based on getting this pipe, falls to the ground, since this is not a firm contract?

Mr. Howe (Port Arthur): Mr. Speaker, I am advised that the contract can be firm the day after the legislation is passed.

An hon. Member: Why didn't you say that?

Mr. Howe (Port Arthur): I said it was to be put in the form of a firm contract. In any event, I suggest this is a discussion which should take place in committee. We can hardly discuss the contents of a contract now.

Mr. Knowles: Mr. Speaker, the minister's words on Friday were these:

> In the meantime, the option has been translated into a firm contract, and the contract has attached to it certain mill orders and other documents which are now being examined, and I hope to be able to table the contract either today or Monday.

I am prepared to submit this document to any impartial examiner and I am sure he will agree with me it is not a firm contract but is a contract that is still conditional

upon Tennessee being satisfied that it has what it regards as the appropriate permits and licences.

EXTERNAL AFFAIRS

ISRAEL—REQUEST TO PURCHASE SABRE AIRCRAFT

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Secretary of State for External Affairs and ask him what is the present position with regard to the request of the Israeli government for the shipment from Canada of Sabre aircraft and the like. Has a decision been made as yet by the Canadian government? If not, when is it expected?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the matter is still under consideration and I am unable at this time to say when that consideration will be completed.

AIRPORTS

DORVAL—CHANGES IN LOCATION OR DESIGN AT NEW TERMINAL

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to direct a question to the Minister of Transport to ascertain whether any changes in location or design are being considered for the new air terminal at Dorval.

Hon. George C. Marler (Minister of Transport): I think none are being contemplated, but I would have to make inquiries in order to make certain.

BRIDGES

EDMUNDSTON, N.B.—REQUEST FOR APPROVAL BY CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker—

An hon. Member: Where have you been?

Mr. Van Horne: I was attending the funeral of the Liberal party in New Brunswick. I should like to direct a question to the Minister of Transport. Why is approval by Canadian National Railways, already specified before the Liberal convention in Madawaska county, now being held up for the building of a bridge in Edmundston by the province of New Brunswick?

Hon. George C. Marler (Minister of Transport): I think the hon. gentleman should realize that the actions of Canadian National Railways have nothing to do with his friends in New Brunswick, and that when a proposal is made by the province of New Brunswick in connection with the matter to which he has just referred it will be given every consideration.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Monday, May 21, consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, in the 20 minutes now allowed to us under the shadow of the axe I shall not be able to cover many of the subjects that I would have liked to discuss. I do wish to refer briefly once again to this extraordinary procedure in regard to which the Prime Minister (Mr. St. Laurent) has not had a word to say. We have had here the unprecedented use, and I should say "abuse", of closure, and I would like to bring the memories of some hon. members back to the objections that were raised on two earlier occasions to a procedure which followed an extended debate. On August 29, 1917, as reported at page 5121 of *Hansard* for that day, Sir Wilfrid Laurier had this to say, and I suggest that the words perhaps have an almost reminiscent sound:

> The Minister of Finance has said that the debate upon this bill has lasted two weeks. I do not know that it should have lasted any shorter time than that. The question is one of the most important that we have ever had before us; it is full of complications; it is full of figures.

On this occasion, Mr. Speaker, the debate on the bill lasted two days before closure was moved, not two weeks, and when we had a motion before us for the introduction of this bill closure was moved before there had been any debate at all and before the minister introducing the measure had even heard a word of what the opposition had to say on this bill. Precedents have a habit of becoming established customs. This is a dangerous precedent, indeed. In the past, offensive though it may have been to many of the hon. members, closure followed extended debate and was employed at least with some colour of justification. Here closure is simply a bald threat to the opposition that they are not going

to be permitted to place their case before parliament and above all before the people of Canada so that the opinion of the people of Canada can express itself.

These are dangerous precedents. This puts parliament in chains and, therefore, if carried a stage farther, would make parliament ineffective as a place for the conduct of the business of the people of Canada. What have we before us now? Something that the government knew about for a long time. When we heard the Minister of Finance (Mr. Harris) yesterday one would have thought that this was a perfectly obvious course which everyone would follow naturally. Why, the government itself did not know two weeks ago what it was going to do. The backbenchers opposite did not know until last week what the government had decided to do. For four months and more we have been waiting for word of what would be done, and it was only after long and painful discussion within the cabinet itself that a decision was reached, and now we are told that everybody should follow this course simply because it comes from this omniscient government. They say it is right and therefore it must be. That is as far as the argument goes. There was not one word from the Minister of Finance, and certainly not a word from the Minister of Trade and Commerce (Mr. Howe), as to why this mongrel bill has been placed before us in this manner.

We have two distinct measures incorporated in one bill, the one that they originally intended to present and the one that now really is the nub of the discussion before us. The bill that was announced on January 10 was an act to establish the Northern Ontario Pipe Line Crown Corporation, and that was to build the difficult stretch through northern Ontario. Now, we have something entirely different. Now we have the construction of the easiest part of all from the Alberta boundary to the vicinity of Winnipeg. This separate part is to be found on page 6 of Bill 298 as printed and handed out. It is headed "Part II. Western Section." Western section of what? Western section of the northern Ontario pipe line, to be built by the crown corporation. Well, it is just as fantastic as that because the earlier part of the bill deals entirely with the construction of the northern Ontario bridge with money provided by the government to the crown corporation. That is what it is, an outrageous transaction for which Canadian money is used to hand over the control of one of our greatest resources to a company that is 83 per cent owned by United States investors. Then, so that this transaction will look slightly palatable, an arrangement is made for the approximately 575 miles to be financed by the government by granting to the crown corporation $80 million which may be advanced by the crown corporation to the Trans-Canada Pipe Lines for the construction of this western section.

This mongrel bill has not been explained. There has been no attempt to tell us why we have not a single bill before us to incorporate the whole of this, or why we are not dealing with a single bill under which the government would frankly and honestly place before us its purpose today, and that is to advance the money to Trans-Canada Pipe Lines for the construction of that western section, because, Mr. Speaker, the northern Ontario bridge cannot be built as long as the transaction set out in part II stands. As long as that money is outstanding, the northern Ontario bridge cannot be built because there will not be the money in the treasury of the crown corporation to construct any substantial part of it.

On the face of it this bill is a fraud. Let the government honestly bring in a bill and, bad though the proposition may be, put that proposition frankly before us and ask for permission to advance money directly to Trans-Canada Pipe Lines for that western section and not pretend that that has anything whatever to do with the construction by a crown corporation, which is an agency of the government, of what has been described by the minister as the difficult northern Ontario bridge.

There is more than that in it, Mr. Speaker. There is also a joker clause in part II. In section 7, subsection (1), we find this at the very beginning:

> Pursuant to an agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act . . .

Now, Mr. Speaker, that means that any measure coming in after this act would be covered by this act. We do not know whether the agreement tabled is the agreement that is binding upon the government. Any new agreement under this act brought in afterwards to amend that earlier act would be effective under the terms of this act. This is bad in every respect. It lacks frankness; it lacks candor and it provides a joker clause which makes it possible for this government once more to vary the transaction without parliament knowing what it is doing.

Then, in so far as the sessional paper that was tabled yesterday is concerned, to which reference has been made, there again is lack of frankness. That sessional paper makes it perfectly clear that the options on the pipe are not transferred by Tennessee Gas to Trans-Canada Pipe Lines until there is approval of the importation of gas into the

United States by the agency of the government of the United States, namely, the federal power commission in Washington.

Mr. Howe (Port Arthur): That is not true.

Mr. Fulton: You have not read your own agreement.

Mr. Drew: Actually, there is one provision in this that will call for a lot of explanation and one reason why this should go before the committee. There is a great deal of doubt as to whether Tennessee Gas would give up the ownership of that pipe line at any time under this agreement which has been tabled until the federal power commission has actually given the permission that is sought. That is the reason we have asked that this whole matter go before a committee. On May 17 we moved that this be referred to the committee on railways, canals and telegraph lines. A sub-amendment was moved to the effect that these words be added:

> So that consideration might be given to the advisability of recommending the constructing and operating of a trans-Canada natural gas pipe line under public ownership.

Mr. Speaker, I would point out that our amendment referring this whole matter to the committee on railways, canals and telegraph lines embraces the subject matter of this sub-amendment, and on the other hand the sub-amendment would have the effect of limiting what could go before that committee. As this would read, it would be that this would be referred to the standing committee on railways, canals and telegraph lines so that consideration might be given to the advisability of recommending the constructing and operating of a trans-Canada natural gas pipe line under public ownership. We do not intend to support a proposal that would strangle the committee which we have asked to have set up. The committee we have asked to have this referred to would have full power to inquire into the subject matter but it would also have power to inquire into some of the statements made by the Minister of Trade and Commerce (Mr. Howe).

Mr. Howe (Port Arthur): Another coalition ended.

Mr. Drew: It would have the power to find out what threat the Minister of Trade and Commerce made to get Mr. McMahon out of the way. It would make it possible to find out what Mr. McMahon's proposals really were, and if we could get answers we would find out from the Minister of Trade and Commerce what his replies were to these proposals which we have not seen yet and what suggestions he made. We would also know what the suggestion was with regard to the Gairdner proposals. Both of these proposals were put forward by highly reputable Canadian citizens who perhaps suffer from the disability that both are Canadians.

Some hon. Members: Oh, oh.

An hon. Member: It hurts, eh?

Mr. Drew: As far as that is concerned we would also be able to find out whether there are other proposals, as there likely are, and we would be able to find out what the possibility would be of using part of the rights of way of the railway, as has been done in other jurisdictions in constructing pipe lines of this kind. These are all matters that should go before a committee for inquiry. We are certainly anxious to have this committee conduct the widest possible inquiries. Our proposal would provide for no delay. Our proposal would simply mean that a standing committee could be set up on 24 hours' notice—when I say it could be set up on 24 hours' notice I mean it could be called upon to deal with this matter in 24 hours because the committee has actually been sitting. That committee could deal with this subject and we could have before us these people, who would give us the facts which we should really have.

Now, Mr. Speaker, the record of the Conservative party in regard to public ownership is perfectly clear and our record in regard to what is now before the house has been stated and I would repeat it again. I said this on March 15, as reported at page 2182 of *Hansard*:

> First, refer the whole question immediately to a committee of this house to obtain the facts and make appropriate recommendations. Second, insist upon the reorganization of Trans-Canada Pipe Lines as an all-Canadian company which can proceed immediately and under Canadian control. Third, if Trans-Canada cannot carry out its undertaking, then open the whole matter and permit new interests to make their proposals for an all-Canadian line, Canadian controlled. Fourth, if it can be shown, and I doubt that it is so, that part of the pipe line must be built as the government asserts on this occasion, then instead of building a part which could become an orphan under certain circumstances in the future, let them build the whole pipe line and lease it for operation under Canadian control.

Mr. Speaker, those words are clear; they are not open to mistake. We have asked that this procedure be followed and we ask that it be followed now. I ask the Prime Minister even at this stage of the debate to enter the debate to tell us why he has changed his mind; to tell us why he is now prepared to support something which last July he thought was not a good proposal; to

tell us why he is prepared to support something that is infinitely worse than what he had before him last July. Let him also consider whether it would not be wise in the interests of Canada to refer this to the committee immediately and to give this House of Commons and the people of Canada a chance to really know the facts.

Surely the Prime Minister knows of the widespread objection from the Atlantic to the Pacific. Surely he knows of what the press in this country is saying about this. Hon. members opposite laugh, but let us recall the fact that a paper which is right in the heart of the oil and gas industry had this to say on May 10:

> On the pipe line, the government now proposes not only to turn over a vital natural resource to foreign control, permanently, but is actually prepared to finance this ill-conceived project with public money, the benefit to go mainly to the United States, and the profits to go to private United States interests.
>
> It is a most strange kind of "declaration of independence" to sell out part of our national heritage to private foreign interests and force the Canadian taxpayer to finance the sell-out.
>
> The Trans-Canada Pipe Lines deal is a bad dream of Mr. Howe's.
>
> To liken it to the seaway project is a hideous nightmare.

That appeared in the Calgary *Herald* on May 10; a responsible publication right in the very heart of the area from which this gas would be coming.

Let us go to Vancouver where on May 8 the Vancouver *Province* carried an editorial headed "All Canadian pipe line by force". Right across the country similar editorials are appearing particularly since the government used the gag. Particularly since that time, the strongest Liberal papers in this country have been criticizing the government's action in this respect.

It is not too late for the Prime Minister to restore some measure of parliamentary authority by stating that the gag will not be reimposed and by stating also that this will be referred to the committee on railways, canals and telegraph lines so that we may get at the facts and the truth may know the light of day. It is the only way we will get the truth because we certainly have not been able to get the facts yet.

We have had the situation where during this vitally important debate the Prime Minister is still silent and the Minister of Trade and Commerce is still secretive—

An hon. Member: And wrong.

Mr. Drew: —and wrong.

The Minister of Trade and Commerce once again repeated the misstatement that the agreement between the companies who now have effective control of this operation provides that there will be an issue of 51 per cent of this stock to Canadians. That statement is absolutely inaccurate and without any foundation whatever. Section 6 of that agreement provides, not that there will be an issue to Canadians but that there will be an issue in Canada. It does not provide that there will be 51 per cent of the voting stock issued even in Canada, where all of it or portions of it could be sold to United States interests if they so desired. It does not say that at all. Actually under section 6 of the agreement all that needs to be issued in order to comply with that provision is 2,006,884 shares, or just over 20 per cent of the voting shares. That is actually what is called for by section 6 of the agreement. There is no question about the fact that such an issue would satisfy the requirements of section 6 if the company so desired. That is all they are compelled to do.

This is once again an opportunity for parliament to reassert itself. This is once again an opportunity for hon. members to show that they insist upon parliament having the right to debate. I urge the Prime Minister (Mr. St. Laurent) in all earnestness to reconsider the course which has been followed. Let him hear, let him read, let him follow the advice of public opinion across this country. Let us make a new start. It will not prevent the construction of the trans-Canada pipe line. I am indebted to the hon. member for Rosthern (Mr. Tucker) for emphasizing the fact by quotations yesterday that I have been doing my utmost, as well as other hon. members on this side, to persuade the government to proceed with the construction of this gas pipe line for well over two years.

Some hon. Members: Oh, oh.

Mr. Drew: If hon. members opposite want to laugh, let them laugh at the hon. member for Rosthern because he quoted my words yesterday to that effect.

I have stated our position. Let us have a committee; let us get the facts. I would hope that hon. members to our left will support that motion and will recognize that the subamendment they have moved would not permit a wide open inquiry, but that on the other hand we would be prevented from conducting the type of inquiry which we all desire.

Mr. Coldwell: How?

Mr. Drew: Because it is specifically stated that the committee shall be set up for a particular purpose. May I point out also that the amendment which we have now moved for reference to a committee clearly

refers the whole subject, including the subject of probable construction and of the alternatives which have been placed before the committee. We want that inquiry. We want to know the facts. We want this great natural resource brought under the control of Canadians for the benefit of the people of Canada in the years ahead.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, there are two aspects of the matters involved in this debate about which I wish to speak. One has to do with the bill itself and the other has to do with the responsibility which the government has assumed to use the proceedings provided by the standing orders of this house to make it possible for this house to reach a decision in time for that decision to be effective if it is an affirmative decision.

As to the first point, I agree completely with the hon. gentleman who has just resumed his seat. All of us want this to be an all-Canadian pipe line, to be a pipe line controlled under Canadian law and to be operated for the benefit of the development of Canada at large.

With respect to the ownership of shares, I have just looked at clause 6 to which the hon. member has referred. I cannot agree with him that the stipulation made there would be complied with by the issue or offering in Canada of 2,006,884 shares. I submit that it covers 51 per cent of all stock which will be issued by this company. This is not a country where the government, even if it were headed by the hon. gentleman, would control the actions of those who purchased shares in investment companies nor the time they held and retained ownership of such shares. That would be a totalitarian attitude which I am convinced the hon. gentleman himself would not contemplate.

Before going on with the rest, there is another matter I should like to dispose of immediately, that is that there would be a joker in the contract which has been made with respect to the transfer to Trans-Canada Pipe Lines Limited of the options for the shares. I have that document before me and it says, in addition to what was read a few moments ago by the hon. member for Winnipeg North Centre (Mr. Knowles):

> 2. In addition to the provisions of exhibit A to exhibits I and II hereto, in the event the Canadian government bill providing for the construction of the natural gas pipe line from the Manitoba-Ontario boundary to Kapuskasing, Ontario, together with the supplement providing for Trans-Canada's interim financing covering the construction of Trans-Canada's natural gas pipe line from the Alberta-Saskatchewan boundary to Winnipeg, Manitoba is passed and becomes law and Trans-Canada has received written notice pursuant to clause 1 of the agreement dated 8th day of May, 1956 made between Her Majesty the Queen in right of Canada and Trans-Canada that the loans therein referred to have been authorized and can be made as therein provided, Hudson's Bay, Canadian Gulf and Tennessee hereby agree to and shall assign to Trans-Canada all such parties' interest and obligations in purchase orders covering pipe ordered for Trans-Canada's requirements as described in exhibits I and II hereof and will deliver to Trans-Canada pipe received prior thereto for Trans-Canada's requirements pursuant to such orders and on hand at the time. Trans-Canada will, upon assignment of such orders assume the obligations thereunder and pay the vendor thereunder directly for all pipe received thereafter against such orders.

Mr. Knowles: Does that not make it clear that the second condition is in addition to—

An hon. Member: Sit down.

Mr. St. Laurent (Quebec East): With respect to the statement made by the hon. gentleman that there is a joker in the bill because it refers to contracts which have been made or which may be made, I would refer him to the first clause of the act which was passed by the legislature of Ontario and which is cited in the letter addressed by Mr. Porter to the Minister of Trade and Commerce (Mr. Howe). This letter was read into the record of this house on May 17. The second to the last paragraph of the letter reads:

> In any matter of such complexity and magnitude, we recognize that it may become necessary to consider changes in arrangements from time to time. At the last session of the legislature an act was passed, by the unanimous recorded vote of the house, giving authority to enter into such arrangements. The act allows for certain flexibility so as to meet changing situations as they may arise. Section 1 of the act is as follows:
>
> "1. For the purpose of implementing the arrangements made or to be made between the government of Canada and the government of Ontario to facilitate the construction of a connecting link through northern Ontario of a pipe line to transport natural gas from Alberta into central Ontario, the treasurer of Ontario is hereby authorized to loan from time to time—"

Why is this bill before the house? We submit that it is the first proper and necessary step to implement what has been Canadian policy for the last half century, a policy which was sanctioned by legislation introduced and recommended to this parliament in 1907, that is to say to preserve for Canadians energy and power produced in Canada to the full extent required by actual or future probable requirements of Canadians. That policy has been followed and has been approved—I think it is still approved—by every hon. member of this house and by the public generally.

A fact that cannot be denied is that there are tremendous amounts of gas being produced in Alberta beyond the requirements of that province, gas which those who produce it wish to dispose of and which people in other parts of Canada can use and wish to use, and which will in being properly used

within Canada continue to promote and stimulate this era of extraordinary development that has been going on in this country for the last several years.

That requires the construction of the pipe line from Alberta to central Canada. That is the longest pipe line ever undertaken for the transmission of gas. It is a considerable undertaking. It is an undertaking which we and many others, including the prime minister of Manitoba, the government of Ontario and the prime minister of Alberta, felt should be started at the earliest possible moment. This bill is before the house because, after carefully considering all possibilities, we came to the conclusion that this was the only practicable way to get the construction of this line started this summer and completed from the Alberta boundary to Winnipeg before the end of this construction season.

I know that our socialist friends pretend that that is not the way to do it, that it should be done as a public enterprise owned and administered by a public authority in Canada. That has been carefully considered, and the reasons for the objections—they are not insuperable objections, but the reasons for objecting to that—as the most desirable course to be followed, are grave reasons, reasons that have impressed the government of Ontario, which gave them consideration too, as they have impressed us. The prime minister of Ontario has said—and his words have been read into the record here—that, if private industry can do the job, it is in the interests of Ontario and in the interests of all Canada that private enterprise do the job, but that, if it fails, if it cannot be done otherwise, it is a matter of such importance that the serious difficulties involved in public ownership would have to be faced and have to be overcome.

That line should be built and it will be built, and the future generations of Canadians will be glad that it will have been built. It is an important factor in maintaining the impetus of the Canadian economy that has been so gratifying during these last years. There have been suggestions that there were many other things that should be done. All those other things may be very desirable things, but they cannot all be done at once. I am sure all members of the house were impressed yesterday by the statement made by the Minister of Finance on the serious consideration his department gave—and it is not an attractive proposal to any Minister of Finance to make loans of public funds, even for a short term and even at the ordinary commercial rates of interest—but after examining the whole situation he came to the conclusion—and he stated that conclusion to the house yesterday—that it was a good thing for the economy of Canada generally and, incidentally, that it would be a very good thing for the public treasury because of the participation of the public treasury in the profits that are made out of any of the industries that are being established and exploited in the Canadian economy.

The hon. gentleman caused some amusement when he said that that would provide money with which all these other things could be done. He was then asked if that was a promise, that as soon as this was completed all those other things would be done. Well, that is something which no one could undertake, because careful consideration has to be given to all these enterprises that are all good and that all contribute to the welfare of the Canadian nation but that cannot all be accomplished at the same time.

Why did we come to the conclusion that Trans-Canada was the instrument that could and should be used to bring about the start of this line this season? It is because it appeared to us that it was the only practicable way in which work could be started this season and proceeded with in a manner that would make for completion of the leg from the Alberta boundary to Winnipeg before the close of this season. I think that that is a fact that cannot be disputed.

Why was it the only agency? It was the only agency that had the permits; the only agency that had the plans; the only agency that had the organization; the only agency that had the pipe, under these arrangements, which are covered by the agreements that have now been tabled in the house.

An hon. Member: And was broke.

Mr. St. Laurent (Quebec East): I hear the hon. gentleman say, "And was broke". The company did not yet have the whole of the money required for the large expenditure that would be involved even in that preliminary leg, and that is the only justification for asking parliament to authorize the loan. It is something that is necessary, but it is a short-term loan made under conditions that can involve no possible loss to the Canadian taxpayer.

If it is returned, as it is undertaken to be returned, on April 2, 1957, what will have been gained? Well, there will have been a substantial portion of the pipe line built and put into operation, and the money will have been returned to the treasury with interest that represents some slight profit over the cost of money to the federal treasury. If not, it is security for the loan and can be taken over and the line proceeded with. And the taxpayers of Canada will

have obtained that leg at 90 per cent of its cost instead of 100 per cent of its cost—and at the costs which prevail at this time, instead of the higher costs that were referred to in some of the speeches made from the other side yesterday, which are probable in view of what we expect with respect to the cost of steel.

Mr. Fleming: Will it be taken over if there is default?

Mr. St. Laurent (Quebec East): We shall come to that, and we shall endeavour to make the best possible decision in the light of our responsibility to the Canadian people. We shall cross all those bridges when we come to them, and we shall cross them in the expectation that they will still, when we come to an election, enable us to face the Canadian public and get the response we have been getting over the past years every time we faced them.

Mr. Rowe: Try that now.

Mr. St. Laurent (Quebec East): But I do want to say something about the reasons why the government took the responsibility of recommending the use of standing rules of this house to give this house an opportunity to make a decision upon this important matter in time for the decision to have some effect.

Hon. members opposite realize that, if they can succeed in preventing a decision on this matter from being made in this house in time for that decision to be effective, they will have achieved the same result as if they got a majority voting it down in the house. That is not a part of the ordinary regular procedure of parliamentary institutions. I confess quite freely that it is always distasteful to have to resort to measures of that kind, and I am sure that it was distasteful to every government that had to recommend to the house the adoption and application of these rules. But if we believe, as we do, that this is something that should be done now in the interests of the Canadian people, can we shirk whatever distasteful responsibility we have to take in order to get the matter before parliament in time for it to make a proper decision, a decision that can be implemented?

I have more than once had to face disagreeable duties that I felt were duties to be fulfilled in the discharge of my responsibilities, and I have never yet shirked any duty that appeared to me to be a duty that was imposed upon me by the responsibilities I had taken by my oaths of office. In my view the question turned upon whether or not we did believe that this was a good thing in the interests of the Canadian people. If we did believe that it was a good thing in the interests of the Canadian people, it was our duty to try to bring it to a decision in the house in time to make it possible for that decision to be executed. If we are wrong in our feeling that it is a good thing for the Canadian people it should be defeated in the house, and I would hope that any member of this house who felt that it was a wrong decision to be made in the interests of the Canadian people would vote against the implementing of such a decision.

An hon. Member: And speak against it.

Mr. St. Laurent (Quebec East): And speak against it, and do as some other hon. members of other parties in the house have found it was their responsibility to do, get up and honestly and frankly state their views even though they regretted that their views were not shared by the other members of the party with which they had been associated.

Having taken the responsibility of rising first to vote on the motion which brings into application this rule of the house, I must be prepared to obey fully the consequences of that motion and I am told that the consequences are such that I must now take my seat.

Mr. Cameron (Nanaimo): Mr. Speaker—

Mr. Fulton: Mr. Speaker—

Mr. Speaker: The hon. member for Kamloops.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, we have at last heard from the Prime Minister (Mr. St. Laurent) in this debate.

An hon. Member: You certainly have.

An hon. Member: And "Howe".

Mr. Fulton: We have heard from Howe before, unfortunately.

Some hon. Members: Hear, hear.

Mr. Fulton: And what we have heard from the Prime Minister is that he puts himself on record as being on the side of those who are in favour of using the Canadian taxpayers' money to hand over control of a Canadian resource to American interests—

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Fulton: —and that the Prime Minister is amongst the ranks of those who not only will subscribe to that policy but will resort to the unjustified use of the gag and closure to force this measure through the house notwithstanding the fact that that course is not in the least necessary.

Some hon. Members: Oh, oh.

Mr. Fulton: In what I have to say this afternoon I want to deal mainly with the two points chosen by the right hon. gentleman himself as the main subjects of his remarks. The first is the question of the abuse of this house and thus the abuse of the country by the methods resorted to and, second, the extent to which this is a surrender to American interests, a surrender supported, in fact, encouraged, by the Prime Minister of Canada.

We have heard from the right hon. gentleman and from his cohorts in the cabinet that closure is necessary because the members of the opposition have brought it upon themselves. Sir, I refer you to the remarks made by the Minister of Agriculture (Mr. Gardiner) in this house on May 18. He says that the opposition has invited the government to use closure. He says that we have brought it on ourselves and that we could have discussed the matter for 15 days if we had not followed the procedure we have been following of avoiding discussing it at every opportunity that we could. Let us see what the facts are.

An hon. Member: Just as you are doing now.

Mr. Harris: Starting with the hon. member for Prince Albert (Mr. Diefenbaker).

Mr. Fulton: First of all, in the course of this matter since the 9th of May there have been seven points of order raised. I am talking about substantial points of order.

Mr. Hellyer: Why do you not talk about the bill?

Mr. Fleming: Oh, be quiet. Another closure!

Mr. Fulton: Of these only two were raised during the time when otherwise debate on the measure itself might have been proceeding. The others were raised either before the resolution reached the order paper, that is at a time before it could possibly be debated, or else they were raised after one o'clock in the morning of last Wednesday after the time for debate on that particular stage had gone by.

The fact of the matter is therefore that every proper measure we took that was provided for under the rules to prevent this motion reaching the order paper in an improper form did not in fact delay the debate itself by one day, not by one hour, because the fact that the resolution did not come on for debate until a week ago last Monday was due exclusively and entirely to the fact that the government did not put it on the order paper before Thursday of the week before, and did not call it until Monday. That was a matter exclusively within the control of the government.

The matter could not have been debated before Monday of last week and yet the government has the effrontery to parliament, the Prime Minister and the Minister of Agriculture have the effrontery to parliament, to say that if we had wanted we could have been debating this matter for a great many more days than we did. Debate could not start until Monday of last week and since that time, as I say, there have been only two points of order of any substance raised during time that would otherwise have been available for debate.

Then, what about the votes? It is true there have been 18 votes since May 9, since the government first improperly gave notice of the resolution in *Votes and Proceedings*. Of these votes there have only been four in time which otherwise would have been available for debate on the measures, only four votes, including divisions in committee. Only four times have we divided the house or committee during the time when this matter was actually under debate. The other divisions have all been in time when the matter was not under debate and therefore the votes, any more than the points of order, could not interfere with the progress of the measure.

So what are we left with, sir? We are left with the conclusion that what the government resents is not obstruction, not attempts to delay the measure, but opposition and discussion. The Minister of Agriculture makes it quite clear in his remarks that what he resents is not delay, not the fact that we have tried to prevent this measure from being brought on improperly, but the fact that we have used the time available to debate it and to oppose it effectively in the only manner left open to us. Therefore we are left in the position that closure, invoked for the first time in the history of this or any other parliament at the outset of a debate before a word has been said in debate, is justified by the ministers opposite and today by the Prime Minister on grounds which leave no room for any other conclusion than that what they are concerned about, what they resent, what they regard as improper, is not obstruction but opposition. If the right hon. gentleman and his colleagues would have their way they would do away with all rights of opposition in this parliament under the guise of this false front, this false cover, of trying to say that what we have been doing is attempting to obstruct rather than to oppose.

We have the matter reduced to the cynical farce which was perpetrated on this house by the Prime Minister (Mr. St. Laurent) only last Wednesday, May 16, when I asked the right hon. gentleman, as reported at page 3990 of *Hansard* for that day:

> . . . what was the tremendous and compelling urgency to bring the debate to a close yesterday by the application of the closure rule, in view of the fact the government is not prepared to go on with the debate today . . .

The Prime Minister gave this answer, which is the all time high for cynicism and effrontery to parliament:

> I will tell him that the reason it was not suggested we should go on today with the second reading of the bill was so that hon. members would have an opportunity to consider it before second reading was called.

What a cynical reply—so we would have opportunity to consider the bill! I ask you Mr. Speaker, and I ask the Prime Minister, and I challenge him to reply, of what avail is time to consider before second reading if you are not going to have time to discuss it on second reading? They have introduced closure now before there has been time for discussion, and they introduced it on the occasion of the debate on the resolution, when of course closure is most damaging to discussion.

I say to you, sir, and I challenge any hon. member over there to deny it, that the effect of closure at the resolution stage, and the reason for closure at the resolution stage, was that the Minister of Trade and Commerce (Mr. Howe) and the Prime Minister knew, and all the others sitting over there knew that once they had introduced closure at the resolution stage they had precluded members of the opposition from asking questions and enforcing answers; that is the most damaging stage at which closure could be introduced. By virtue of the closure rule, you cannot insist upon an answer to questions, and the hon. gentlemen did not dare be placed in the position where they would have to answer questions, so closure was imposed right at the outset. It was imposed because hon. gentlemen opposite were afraid to be placed in a position where they would have to answer questions.

Mark my words, closure will be applied in the committee stage because otherwise the hon. gentlemen would be in a position where they have to answer questions and once again they will not dare answer questions about this measure. Then, they have the effrontery to tell parliament and the country they are applying it because the opposition is obstructing. We have only had four votes which have taken time which would otherwise have been available for debate. The Prime Minister pretends to be so concerned about the rights of this house, but he had better get a better explanation for applying closure than this before he will satisfy either this house or the people of Canada.

So much for that myth as to why closure is imposed. We have heard a certain amount about fables and one of the fables the government is trying to put up is that the reason for closure is the opposition is trying to obstruct. The reason for closure is because they resent opposition and they are afraid to answer questions.

I shall deal now with another of the chief fables which the government is trying to put up, and that is this question of Canadian control of the pipe line. They tell us first that it is necessary to pass this bill by means of closure before June 7 because it is urgent to get gas to Ontario. Sir, I say to you that while there may be urgency I do not accept the urgency which the government has attempted to ascribe to it, that it must be done by a deadline of June 7, because they have put on a self-imposed deadline to which they are now attempting to make parliament conform by the use of the gag or closure.

Delay would be most undesirable, but I put it to you, to the house and to the country, that while delay would be undesirable it would be better to have enough delay to make sure that the project is a taxable private enterprise than it be a burden on the taxpayers now and for all time to come. That is what the rush which the government is trying to impose upon the house and the country is going to lead to. The Minister of Finance (Mr. Harris) speaks of the tremendous benefits which will follow the construction. These benefits, sir, will follow construction at any time. Would it not be better to have those benefits follow on the basis that it is a private enterprise taxable corporation rather than that the taxpayers' money, on which tax has already been paid, be used to hand it over to a United States enterprise where the primary benefits are going to flow across the border? For that reason, sir, any reasonable measure of delay calculated to lead to a better result would be well worthwhile in the national interest.

Now, let us look at this question of Canadian control. The Minister of Trade and Commerce says, in that sweeping manner of disregard for the facts for which he is so justly famous, that the present arrangement ensures Canadian control. Today the Prime Minister reads the agreement, without any word of detailed argument, and says that of course it means control by Canada. I say to you, sir, that not only does the agreement not mean control by Canadians it does not even mean that the majority of the voting

stock must be offered to Canadians. It only covers one issue of stock, and in spite of the Prime Minister's words, he cannot read any other meaning into that agreement. It covers one issue of stock, and of that issue of stock it does not even say the majority must be offered to Canadians. It says it has to be offered in Canada. If they meant what they said—that they were concerned that Canadians should have the opportunity to buy this stock, why did they not say it must be offered to Canadians?

My hon. friends know quite well the arrangements that are made so often in these matters where control of the issue is under United States companies and it is arranged in advance that, although it is offered in Canada and through Canadian financial houses, it will be sold to friends of the promoters. Offered in Canada, yes, but to whom? Offered to American friends of the United States promoters. If he means what he says that this is designed to assure Canadians will have the opportunity to purchase, why does he not insist on that provision being written into the agreement? When it is said that you cannot get any more firm arrangements than they have got to assure control by Canadians, that is to mislead the house. What about Mr. McMahon's proposal?

The hon. gentleman who has misled the house in the past with respect to this and other matters said just the other day that he had never said he had no documents from McMahon. The other day when the hon. member for Broadview (Mr. Hees) was speaking, the minister said, as reported at page 4090 for *Hansard* May 18, 1956:

> We might as well be accurate. I never said that. I said I had never received a proposal from Mr. McMahon.

Here is what the minister said. There were two occasions, but I shall read only one. On April 16th, a motion was presented calling for the production of "all letters and other documents received by .... any minister, ... from Mr. Frank McMahon," and the minister said he had tabled them. Then the hon. member for Prince Albert (Mr. Diefenbaker) as reported at page 2940 of *Hansard* for that day, said that the McMahon documents were not tabled, and the record continues:

> Mr. Howe (Port Arthur): There were no McMahon documents.

But now he says, "Let us be accurate. I never said I had no documents from McMahon." The minister has said so many things that are contradictory he does not know what he said because he, himself, does not believe in the principle of assuring Canadian control of this pipe line. He said that Mr. McMahon could not ensure it, that there is no way of ensuring it. Well, sir, I was interested to inquire recently about the details of the arrangement made by Mr. McMahon in connection with the Westcoast Transmission Company. It was reported in the press that Mr. McMahon had arranged—although the bulk of his capital was subscribed in the United States—to ensure that control would remain in the hands of Canadians, and so I made inquiries as to just how this would be ensured. I find there is available in the Montreal and Toronto offices of the Montreal Trust Company a voting trust agreement, which anyone who wishes has the opportunity to inspect. I have not time to read out all the details, but it is between the Westcoast Company and four Canadian trustees and two American trustees and the Montreal Trust Company. Under the provisions of that agreement all voting stock is to be deposited with the Montreal Trust Company, the depository, in return for which it issues voting trust certificates. The voting trustees who vote on behalf of the shareholders are comprised of six persons, four Canadians and two Americans, the Canadians being Frank L. McMahon, George L. McMahon, Douglas P. McDonald and Norman R. Whittall. The Americans are Lloyd S. Gilmour and Edward T. Herndon.

In the event of a vacancy occurring amongst any of the Canadian trustees, that trustee must be replaced by a Canadian citizen. In the event of a vacancy occurring amongst the two American trustees he can be replaced by any person, a Canadian or an American. The duration of the agreement is until 1970, and it may be extended beyond 1970.

So here is a case, sir, where a Canadian, a man who was brushed aside by this minister, a man who has been derided and ridiculed by his supporters, made this agreement which ensures control by Canadians. Why was he derided and ridiculed? Because he dared to get in the way of the minister and say: "I can do this trans-Canada proposal also under Canadian control without cost to the government". He has shown that he can do these things. Although a good deal of his capital for them comes from the United States, he is able to make arrangements so that the control of them will remain in Canada under the control of Canadians in a way in which this government neither is able to nor is concerned to do.

Yet we hear from the minister, we hear from the government and we hear from others that the way they are doing it now is the only way to do it, and that control will remain in Canada, and that they do not need any offer from Mr. McMahon, and that Mr. McMahon is not worthy of consideration—that is what the Minister of Agriculture said

the other day. He said: "We would not have considered his offer if it had been presented to us". They would not have considered it even if it had been presented to the rest of the cabinet. Let us remember that on the basis of the record there is only one reason why that attitude is taken, and that is, they do not care whether control of another Canadian resource passes into American hands or not, and they are not concerned to take the simple steps that should be taken to ensure that control of this vital resource be kept in Canada for the benefit of the Canadian people.

Not only, sir, are they not concerned about the future of Canada in this regard, not only are they prepared to use the taxpayers' money to hand over a Canadian resource to Americans, but they are prepared to gag, to bind, to foreclose parliament in order to pursue their iniquitous course. Not only may they destroy and render inoperative for the benefit of Canadians a tremendous Canadian resource, but they may by their policy destroy parliament. I say to you, sir, let them talk about obstruction. It is not obstruction; it is opposition, and it will be exercised until the very last gasp so far as we in this house are concerned; and, sir, if this bill goes through—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. Fulton: —they will know that they have had a fight which they will never forget and over which the Canadian people will turn them out of office.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in rising to take part in this debate I wish to offer my sincere congratulations to the hon. member for Kamloops (Mr. Fulton) on the discretion which he exercised in the choice of the subject matter of his speech. After complaining about the small amount of time which the application of the rules of the house has left to him to discuss the bill before the house, he spent about 80 per cent of his time discussing every subject under the sun except this bill in question.

One of the points that he referred to was this old chestnut of the alleged failure to provide control by Canada in the bill which is now before the house. I think perhaps I might say as a Canadian and as a Liberal that there are few statesmen in Canadian history who command the admiration of Canadians—and certainly I would hope the admiration of the Conservatives in Canada—to a greater degree than Sir John A. Macdonald. Of all of the great achievements to which he set his hand, in most cases fairly successfully, there was none that was greater than his effort in extending the transcontinental railway from coast to coast, for the first time to bind this Canada together as one nation.

Now, Sir John A. Macdonald, in those halcyon days when the Conservative party could stay in power for more than one term, and when they achieved a record which I believe that party will never equal and certainly never surpass at any future time, their leader then was no little Canadian who said in relation to the building of this railway that none but Canadians need apply, or that no capital but Canadian capital need apply.

Mr. Fulton: Your government says that no Canadian need apply.

Mr. Garson: Oh, no, not at all.

Mr. Fulton: Yes; you warned McMahon off.

Mr. Garson: Sir John was prepared to take, and he did take, capital from any place that could offer it. My hon. friends, if they know even the history of the Conservative party let alone that of Canada, must know that the Canadian Pacific shareholders have never, from the time that the company first came into being up until the time that we are discussing this matter in the house today, exceeded 17 per cent. Indeed they never at any time equalled the 17 per cent that my hon. friend, the Leader of the Opposition (Mr. Drew), complains about in connection with this present pipe-line project. At the present time I suppose the number of Canadian shareholders in the Canadian Pacific Railway is not more than 12 per cent. The great majority of its stock is now held, as it has always been held, by British and United States investors. Does that mean that the Canadian Pacific Railway is under the control of those other countries or of their shareholders? Is it any the less subject to the Crowsnest pass agreement, for example, than it would be if it had 100 per cent Canadian shareholders?

Now, sir, my purpose in rising today is to examine, as a typical example, how this present arrangement will affect one city and how likewise I think it will affect nearly all of the cities to which it can be extended. The city to which I refer is my own city of Winnipeg. We in Manitoba have, I think, as great an interest in this project as any other province in Canada. Certainly, no metropolis in Canada has a greater interest in it than Winnipeg has. For that reason, I was quite concerned when I saw all of the members representing the constituencies of the city of Winnipeg engaged in bitter opposition

to this measure; and I would like to add my words to those of other Manitoba members who have preceded me in stating the reasons why, from our point of view, this is a very excellent measure.

We have been in Winnipeg at the western end of the fuel movement of American coal coming in through the great lakes, and we have likewise paid the highest prices for Alberta coal. We would like to get some cheap fuel for a change. To that end we are very much interested that this project should begin immediately after the passage of this bill with movement of the pipe from the United States to its location of the right of way with the idea that the entrenchment of the pipe shall begin in the early part of July in order that it may be possible to complete the whole project before freeze-up this year. Therefore, when our hon. friends impute all sorts of ulterior motives to us, our simple answer is, as anyone who has given this matter any study at all knows, that unless this beginning is made and unless the work is executed with great vigour it will not be possible before freeze-up next fall to complete the western section of the pipe line. That is the reason and the only reason for the application of the rules of the house.

In order to consider what the effect would be in Winnipeg, I have sought the views of the Winnipeg and Central Gas Company, Mr. W. F. Davey—

Mr. Fulton: That is St. James Street, Montreal. Why did you not write direct to St. James Street and find out?

Mr. Garson: I have not been aware, when it comes to the proper management of utility companies, that the people who are experienced in that field are disqualified from expressing an opinion, and so far as this opinion is concerned, as my hon. friend will see from its text, it indicates the great need for urgency in this construction if each of the places which this pipe line will serve are to achieve that rearrangement of their load factor which will enable them to get at the least possible cost the gas which they are to buy.

Mr. Hodgson: Why didn't you build it last year then?

Mr. Garson: For reasons which have already been explained at great length. I am sorry my hon. friend did not listen to them. This wire reads as follows:

> Trans-Canada pipe line project of vital importance to future of Canada. Key industries require natural gas now and every delay of serious import.

Mr. Fulton: Mr. Speaker, on a point of order—and I will do this very briefly because of the time limit—I would remind Your Honour of the rule against quoting opinions, telegrams, letters, et cetera from outside the house commenting on matters under discussion in the house.

Mr. Pickersgill: Is the hon. gentleman in his own seat?

Mr. Fulton: I would only say, if it is to be permitted in this case then I hope you will permit other speakers to do it. I think also it should be clearly on the record that what the minister is reading does not express the views of Winnipeg, but of some of his friends on St. James Street, Montreal.

Mr. Pickersgill: Why don't you join the C.C.F. and be done with it?

Mr. Deputy Speaker: Order. Yesterday an hon. member wished to raise a similar point of order. The one which I think he wished to raise at that time was under citation 306 of Beauchesne's second edition. I would like to read that citation to hon. members:

> 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.

It seems to me the test is whether it reflects on what an hon. member has said within the house or on a proceeding within the house. I did not myself take that impression from the minister's words but I think that is the true test and I will be careful to apply it in that way.

Mr. Garson: Well, Mr. Speaker, the comments in this wire have to do with the desirability and indeed the necessity for an early start on the construction of the pipe line.

Mr. Diefenbaker: Is that in response to a wire from yourself?

Mr. Garson: No, it is not. The wire continues:

> Key industries require natural gas now and every delay of serious import. Key industries essential to proper economic distribution of natural gas in Manitoba. All Canadian pipe line requires maximum support from Manitoba. This now available in 1956. Delays in pipe line could lead to destruction of economics arising out of availability of key industries as load balancers making economic distribution of gas to residential consumers extremely difficult if not impossible in reasonable length of time. Large potential industrial expansion awaiting arrival of natural gas. Original Trans-Canada Pipe Lines Limited plan requires obviously F.P.C. approval. No certainty this will be available in near future and perhaps for some time. Would appear therefore measures required to enable implementation independent of F.P.C. approval now. Should F.P.C. approval be forthcoming pipe line can proceed as originally planned; government leaving this door still open without jeopardizing markets by awaiting same. Should F.P.C. approval not be obtained

government in position to take over project under way with most difficult work done and organization ready made; this is not mean accomplishment to have matter brought to this point. Should government not take this position might lead to many years of delay in implementation of pipe line. This would be disastrous to our company and deal a very serious blow to the future of Manitoba in the form of lost opportunities. Major Manitoba market now geared to major effort in natural gas. Delays possible could destroy years of preliminary effort; same applies to Trans-Canada Pipe Lines Limited. Time is of essence and matter should be resolved forthwith. Have commended in light of all relevant factors that government adopt any and all measures essential to this end. This from point of view of Canada with whose interests ours happily coincide. Those who oppose same should weigh very heavily consequences of such action. All parties evidently agree on desirability of all Canadian pipe line. Government adopting only course of action which will realize this in reasonably near future.

Mr. Diefenbaker: That is all hearsay. Why not call this person as a witness before the committee?

Mr. Garson: Now, sir, the reason we are particularly interested in the observations I have just quoted is that, as everyone knows, any pipe line company has to take care of three items. First of all the interest upon its debt, which in this case would be the 5 per cent to the government; second, its wages and other operating costs; third, the price of its gas. In that connection it is under the necessity in delivering this gas to take into account not only the distance from the place where the gas originates to the market but the character of the market itself. It is perfectly clear that the cost of the operation of a pipe line does not decrease very much regardless of the quantity of gas which is put through it during the course of a year. That being so, if it will put through, let us say, 1,000 million cubic feet per year at full operation but if the markets which it serves will only take 800 million cubic feet, then because under this 80 per cent load factor the smaller amount of gas is going through, a higher rate must be charged per unit in order to meet the cost of operation of the pipe line. The real significance so far as Winnipeg, Toronto or any other community that can be reached by the pipe line is concerned is the necessity for quick action. The necessity for quick action arises in order to enable those communities served to so arrange their load factors as to secure as fair a price as possible. For example, remarks have been made by the hon. member for Winnipeg North (Mr. Stewart) in which he cast reflection upon the cost of gas in Winnipeg as compared with the cost of gas going across the border at Emerson. The difference is due entirely to the fact that purchases for export are on a very much higher load factor than that which the city of Winnipeg could provide.

The national interest here can be shown in a number of different ways, but I know of no way which is more impressive than by examining the figures for our fuel imports which over several decades now we have had to bring in from the United States in order to keep our industries supplied with energy and without which our industries could not possibly have survived. In 1955 we imported $103 million worth of coal, $229 million worth of crude oil, $150 million worth of petroleum products, making a total of $482 million. I would point out that in relation to all of these purchases the employment, the wages, the profits and the taxes payable to the state were all in the United States.

As I understand it, the prime purpose of this pipe line is to take gaseous fuels from Alberta to other markets of Canada and to very greatly reduce our dependence upon the United States market for the import of that fuel. As a matter of fact it has been estimated that by the operation of this pipe line, immediately it becomes operative we will save between the gas which we export, 200 million cubic feet per day, and the 300 million cubic feet per day which goes into the Canadian market direct, some $43 million a year in American exchange.

The facts which have already come out in the debate indicate that if this project is delayed for two years, as it must be by this bill not going through and because of the project not being proceeded with at the present time, we shall have lost a reduction in our adverse balance of trade under that one heading alone in the course of two years a total of $86 million. In addition to that we will have lost all the gas which is going to waste each year in Alberta. We will have lost the favourable rates which can be supplied in the various markets served by this gas pipe line, and the particular ones I am thinking of are the cities of Winnipeg and Brandon, Manitoba, which would come about by our being able to utilize the industries and houses under the National Housing Act to the tune in the last two years of about 50,000 each year. If those houses are connected with that gas line the coal which we have had to import from the United States will enable us not only to save the individual people a great deal of money, but—

Mr. Deputy Speaker: I am sorry to interrupt the hon. minister but I am obliged to advise him that his time has expired.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I was interested a few minutes ago to hear the Prime Minister (Mr. St. Laurent) speak of his sense of responsibility in these matters.

Northern Ontario Pipe Line Corporation

I rather wished that his sense of responsibility had included giving a more careful perusal to the documents which were so hastily placed in his hands by his colleague, the Minister of Trade and Commerce (Mr. Howe). Those documents are the ones that were tabled last night after repeated requests from this side of the house. They contain the agreements made by the various companies which now make up Trans-Canada Pipe Lines.

The Prime Minister in refuting the contention that there was no firm order for pipe quoted one section of the agreement. I was not able, even taking that section alone, to take from it the meaning the Prime Minister took from it, and I was certainly quite unable to get over the first section which he failed to quote to this house. Referring to Tennessee Gas Transmission Company, Trans-Canada Pipe Lines Limited, Hudson Bay and Gulf Oil, that section reads:

1. Each of the parties hereto, to the full extent of each such respective party's rights and obligations thereunder, hereby confirm, adopt and ratify the provisions of exhibits I and II hereto, specifically including, but not limited to, section 2 of the stock option agreement of November 1, 1955, referred to above, which is attached as exhibit A to exhibits I and II hereto.

What is this exhibit A? Exhibit A is clause 2 of the stock option agreement which reads as follows:

Tennessee shall place purchase orders, substantially in the form set forth as exhibit B, for the 1956 requirements of Trans-Canada for pipe for its natural gas transmission pipe line system from the boundary of the province of Alberta to Winnipeg, Manitoba, and Emerson, Manitoba, and shall maintain such orders so as to facilitate completion in 1956 of the construction of this phase of Trans-Canada's proposed natural gas transmission pipe line system in Canada. Tennessee shall assign such purchase orders to Trans-Canada within sixty (60) days after Tennessee has notified Trans-Canada that there have been obtained all certificates, licences and permits which in the judgment of Tennessee are necessary and sufficient to authorize Midwestern Gas Transmission Company, a Delaware corporation affiliated with Tennessee, to construct and operate a natural gas transmission pipe line system extending from the international boundary near Emerson, Manitoba, to connect in the state of Tennessee with the pipe line system of Tennessee, and to take gas from Trans-Canada at Emerson, Manitoba.

What have we here? We have the fact that this so-called firm contract, of which the Minister of Trade and Commerce spoke, is dependent upon Tennessee Gas Transmission Company receiving a favourable judgment from the federal power commission of the United States to import gas into the United States.

Mr. Dickey: Not at all.

[Mr. Cameron (Nanaimo).]

Mr. Cameron (Nanaimo): The parliamentary assistant says, "Not at all." I am just reading what the agreement says. I might have been persuaded—

Mr. Dickey: Mr. Speaker—

Mr. Cameron (Nanaimo): I would suggest that if the parliamentary assistant has something to contribute he should take up his own limited time to make that contribution. I might have been persuaded by the Prime Minister that the second clause in this agreement wiped out the first clause if there had not been included in this file a number of letters of transmissal.

Mr. Dickey: It is in addition to.

Mr. Cameron (Nanaimo): In addition to certain things done by this parliament. In the letters of transmissal dated the same date as this agreement and which include a letter from Canadian Gulf Oil Company, Box 130, Calgary, Alberta, to Tennessee Gas Transmission Company, Houston, Texas, we find this clause:

(2) That all operative provisions of the aforementioned stock option agreement of November 1, 1955, except clause 2 thereof (exhibit A hereto)—

That is what I quoted.

—shall cease to have any further force or effect, but that said clause 2 shall not be affected and shall remain in force.

I do not quite see how even the parliamentary assistant can get around that very definite statement on the letterhead of one of the companies which has signed this agreement. No matter what he may think, no matter what the minister may think, no matter what the Prime Minister may think, quite obviously the companies which signed this agreement believe that clause 2 of the option agreement will remain in force. Clause 2 of the option agreement states quite clearly that the pipe shall not be delivered until after Tennessee Gas Transmission Company has received its import permit from the federal power commission.

Mr. Dickey: No.

Mr. Cameron (Nanaimo): The parliamentary assistant can shake his head till it falls off, but it does not alter the words that are written here, and the words are quite conclusive. So I suggest that either these people with whom the minister has been dealing had deluded and deceived him into thinking that Trans-Canada has a firm contract for the delivery of pipe or the minister has been attempting to delude this house. It is one or the other. They can take their choice about the matter.

An hon. Member: Probably both.

Mr. Cameron (Nanaimo): Somebody says, "Probably both". I would not know, but I suggest that these documents prove beyond a doubt that one or other of these positions must be the case. A great deal of the minister's case for dealing with Trans-Canada and going through with this preposterous agreement was that they were the only people who had optional contracts for 34-inch pipe. These contracts are conditional upon something over which this parliament has no control, a ruling of the federal power commission. In addition to that I would point out that, as far as can be determined, there is no other place in the world at the present time where a 34-inch gas transmission line is contemplated. There is one market for it, and that of course is in the plains of Canada. If Trans-Canada Pipe Lines Limited is not able to go ahead because of its unfortunate impecunious condition, then any other organization or body that is prepared to go through with this pipe-line deal would obviously be the only other customer for the makers of this 34-inch pipe.

We are told that Trans-Canada Pipe Lines Limited has run into trouble in financing. The reason why they have run into trouble in financing, we are told, is that they have not yet got the ruling from the federal power commission.

I am glad the minister is back in his seat again. I would like him to explain, some time during this debate perhaps, how he gets around the fact that exhibit A of these documents, which is clause 2 of the stock option agreement and sets forth quite plainly the conditions and terms upon which the Tennessee Gas Transmission Company agrees to deliver its option of pipe to Trans-Canada; and how he gets around the fact that these are dependent on a federal power commission ruling.

I heard the Prime Minister and other ministers suggest that the second section of this agreement quoted by the Prime Minister overrides the first one, but the transmittal letters, as I said before the minister came in, state quite clearly that clause 2 shall remain in effect. The minister tells us that there are firm contracts for pipe, but on the basis of these documents there can be no such firm contracts as far as Trans-Canada is concerned. No doubt there are firm contracts between the Tennessee Gas Transmission Company and the makers of the pipe, but that is a different proposition from a firm contract with Trans-Canada, which certainly was the impression given to this house by the minister.

We are told that these people are not able to finance this and that we must come to their rescue. Possibly they cannot, although I would suggest that, if there is any group in the United States of America that should be able to raise $80 million, it would be the group that has combined to form the Trans-Canada company. We have, for instance, the Tennessee Gas Transmission Company, which apparently is the one with the money, as it has total assets of $742 million. Then we have the Delhi Oil Corporation with assets of $59 million, and Gulf Oil with assets of $744 million. Of course, as many people know, the Mellon interests are a very important factor in the Gulf Oil Company, and they were also a very important factor in the aluminum interests with which this government had dealings in the past. I would suggest that the reason why these gentlemen come to us is not inability to raise funds but unwillingness to invest any more in Canada until they get a firm ruling from the federal power commission to permit them to import gas into the United States. It is quite obvious that the minister himself has had somewhat the same idea because on May 14 he had this to say in the house, as recorded on page 3861 of *Hansard*:

> We did not at that time expect extended delay in the approval of that contract by the federal power commission. Perhaps we should have, although I do not believe we could properly have assumed that there would be so long a delay. However, there has been, and there is no end clearly in sight.

That, I think, can be taken as an admission that the ruling of the federal power commission was a very important factor in the considerations of this government, and I suggest that, in the light of these papers tabled last night, it is still a factor of overriding importance, because I am unable to see how, by any interpretation of this agreement, the covering letters and clause 2 of the option agreement, anyone in this house could say that a firm contract for pipe had been made.

The minister had something else to say with regard to the federal power commission as far as back as March 15, as recorded on page 2167 of *Hansard*:

> All the evidence suggests that the responsible United States authorities feel as we do, that dependence upon foreign supplies can be accepted only cautiously and to a limited extent, and that commitments of gas to foreign markets can be entered into only in so far as the gas is clearly surplus to domestic requirements.

That would indicate that on March 15 the minister already had a few doubts as to whether the federal power commission would come through with a favourable ruling. Nevertheless, on the basis of his optimism, he went ahead, as he said on May 14. Perhaps they should have realized that it was a vain hope. Now we are told that we

are going to go ahead without waiting for the federal power commission ruling. We are going to lend $80 million to Trans-Canada Pipe Lines Limited to construct the western end of the line from Alberta to the city of Winnipeg. It has been suggested that, if the Trans-Canada company is unable to finance the repayment of this money at that time, then the government of Canada will be prepared to go ahead to take over the property and withhold the mortgage from them.

An hon. Member: Maybe.

Mr. Cameron (Nanaimo): Yes, definitely "maybe". I noted that in the bill presented to this house there was a reference to any agreement signed before or after this act comes into force. If words have any meaning, this surely must mean that as soon as this bill is passed by the House of Commons and the Senate there is nothing to prevent the Trans-Canada company and the Minister of Trade and Commerce from tearing up this agreement and signing another.

Mr. Harris: Except their public responsibility.

Mr. Cameron (Nanaimo): The minister says "public responsibility".

Mr. Knowles: Does the minister undertake that there will be no change in that agreement?

Mr. Harris: He was referring to tearing up the agreement.

Mr. Knowles: Does the minister undertake that the agreement will not be changed?

Mr. Cameron (Nanaimo): The fact that the government adopted a rather unusual course in regard to this agreement and did not, as my colleague from Winnipeg North Centre has pointed out, include it as a schedule to the bill, indicates that they wanted to leave some gate open for future negotiations with the Trans-Canada company, and certainly our past experiences with this company would indicate that almost anything might happen.

The other day I noticed that my friend, the hon. member for Burnaby-Coquitlam (Mr. Regier), and the Minister of Finance (Mr. Harris) were digging into their scriptural inheritance of interesting texts. It stirred up some of the admittedly very faint scriptural memories of my own, but I thought of something else. I was reminded, Mr. Speaker, of the daughter of the horse leech forever shouting "more", and it occurred to me that the enterprising lady had moved to Texas or perhaps to Ottawa to carry on her operations. Or we might even have another scriptural reference, Mr. Speaker. We on this side of the house at least are left in the frame of mind of the queen of Sheba when she was confronted with all the glories of Solomon and said, "Behold, not half has been told me".

I suspect, Mr. Speaker, that not half has been told us yet. I suspect that as time goes on and the Minister of Trade and Commerce (Mr. Howe) continues his entertaining dance of the seven veils and reveals a little bit more with every turn we may find out some other things. In addition to finding out as we did today that there are no firm contracts for pipe, although the minister told us quite definitely there were some, we may also find that there are no firm agreements with respect to the construction of other parts of this line.

There has been what is to my mind a very interesting and rather suspicious silence on the part of the minister and other members of the government with regard to the construction of that part of the line that lies between Winnipeg and the Ontario boundary and that part of the line which lies between Kapuskasing and the eastern markets for Canadian gas. There may be some agreement. None has been tabled in the house and under the terms of this legislation it would make very little difference if one were tabled in the house because it might last for a week, it might last for a month, it might last for a year, depending, I presume, on the exigencies of this poverty stricken group of American financiers.

I see nothing in the agreement that we have before us which may not be superseded and nothing in the bill which tells me quite plainly, if and when Trans-Canada by some mysterious means gets the pipe before the F.P.C. gives them a ruling and constructs the western part of the line to Winnipeg, I see nothing in the statements of the minister or of the three or four of his colleagues who have spoken, nothing that indicates to me that this government has a firm undertaking from Trans-Canada to continue with the construction of that pipe line. If the company decides it will dig into its quite large resources or the resources of its parent companies and pay back the government loan of $80 million, is there anything to prevent the company deciding that it will then sit tight at Winnipeg and await the decision of the F.P.C. before embarking on the construction of the rest of the line from Winnipeg to the Ontario boundary and from Kapuskasing east? We have had nothing presented to the house to show that there is any firm commitment or agreement with the government signed by the company.

Last night, I think it was, we had a very eloquent speech by the hon. member for

Rosthern (Mr. Tucker). Admittedly it did not have very much to do with the pipe line. It had a great deal to do with Saskatchewan politics. But I remember that in the course of that address he avowed his enthusiasm for a government that had the courage and determination to go ahead in the face of obstacles. Well, it may have. It has a great deal of courage, I must say, to come before the house with some of the measures it brings before the house. In fact, I have thought sometimes, Mr. Speaker, that people like the Leader of the Opposition (Mr. Drew) and the leader of this group have perhaps been a little unjust when they have taken these measures so seriously and have perhaps mislaid their sense of humour because to my mind nothing so hilarious as this measure has come before the house. Surely this is another gigantic joke on the Canadian people.

But the hon. member for Rosthern is thrilled by the courage of the government in proceeding with this plan. What alternatives have we before us? As I say, we have no firm commitment that this company will build the rest of the line, and if it chose to reimburse the government for its $80 million it could sit tight at Winnipeg. We have, I think, fairly decisive evidence that the company at least considers that the sale of gas in the United States is an essential feature of its scheme, that otherwise it is not economically sound to bring the pipe line to eastern Canada. That would lead us to suppose that if there is any hold-up in the F.P.C. ruling this company is not going to risk any more of its money. Indeed, it has not risked any yet, but if it should decide to repay the government and risk $80 million there is nothing in their past record to suggest that they would be prepared to go on and risk more until they knew for certain that they were going to get into the United States market.

I suggest to the government, and would suggest to the hon. member for Rosthern if he were here, that if they were really contemplating a bold and courageous action they would do what almost inevitably they are going to be forced to do next year. They would take over the construction of this pipe line under a scheme of their own with an investment of Canadian public funds under public ownership. I think it is much wiser, Mr. Speaker, for people to go face first into a proposition rather than to back into it reluctantly and perhaps find themselves situated in an awkward position when they get there. I would suggest that it is not beyond the capacity of the government to undertake the construction of this pipe line to the eastern Canadian markets, and if it is true—I think it is a debatable point from all I have been able to read—that eastern Canadian markets will not provide a sound, economic basis for the line then we should make plans ourselves for the export of gas across the border to the important New York area market, usually considered, I believe, the most valuable and profitable market in the United States.

That, I think, would be a bold course for this government to take. The course they are taking now is one of being pushed from pillar to post inch by inch, listening to the advice and to the demands of people whose record, if the matter were not so serious for the Canadian people, would really be side-splittingly funny because I doubt if ever a company has fallen down so consistently on every one of its agreements. I doubt if there is any company which has been proven so often, time and again, to have miscalculated the propositions that it presented to the government. But our government is extremely benevolent and extremely lenient and is always prepared to give them another chance. Now we are prepared to give them a final and, I hope, last chance, but by all accounts we get from Washington the possibility of the federal power commission bringing in a favourable ruling by April of next year is almost nil. There are enormous and equally powerful interests in the United States who are determined to block that ruling for as long as possible, and even though the federal power commission may in the end permit the Tennessee Gas Transmission Company to import gas from Trans-Canada Pipe Lines, even though they may decide to do so, I cannot see it happening until long after this question of the $80 million and when and how it is to be repaid comes again before the house.

Mr. Speaker: Order.

Mr. Cameron (Nanaimo): I should like to know definitely that there will be no further revision of the terms that are offered to this already badly forsworn company, that we have at last seen the last of the mystery of the trans-Canada pipe line and that the minister has no more surprises up his sleeve because most of us are getting a little tired of finding that something that we had been told was assured and certain has now become uncertain and new arrangements must be made.

Mr. Speaker: Order. We have come to the hour for private and public bills.

PRIVATE BILLS

TRANS-PRAIRIE PIPELINES OF CANADA, LTD.

Mr. G. D. Weaver (Churchill) moved the second reading of Bill No. 299, respecting Trans-Prairie Pipelines of Canada, Ltd.

He said: Mr. Speaker, this is a very minor bill involving only a change of name. Hon. members will recall that last session there were several pipe-line bills, I believe three, which sought the incorporation of companies to build pipe lines in the general area of southwestern Manitoba and southeastern Saskatchewan crossing the Manitoba-Saskatchewan border. One of them was Trans-Prairie Pipelines of Canada, Ltd.; another one was Saskatchewan and Manitoba Pipeline Limited and the third was Westspur Pipe Line Company. Those three companies got incorporation and applied to the board of transport commissioners for permission to build an interprovincial line.

In this connection, I should like to read an extract from the decision of the board of transport commissioners. It says:

> None of the applications with which we are concerned is of a frivolous nature and, on the contrary all of them constitute serious submissions, well presented, and supported by detailed evidence of reputable experts.

Further down on the same page it says:

> As intimated in the course of the hearing, the board's ungrateful and peculiarly difficult task is to decide which is the best of three worthy applications.

It so happened that the board in that case finally decided in favour of the Westspur Pipe Line Company, which is a subsidiary of the Imperial Oil Company. Hon. members will also recall that Trans-Prairie Pipelines, the provincially incorporated company, were already in operation within the province of Manitoba. What they obtained was federal incorporation, so there are in existence two companies with practically the same name. The only difference is that Trans-Prairie Pipelines of Canada, Ltd., has federal incorporation. Since this company did not get permission to build into Saskatchewan from southwestern Manitoba, they are interested in building in some other part of western Canada. Since the names of the two companies are the same, they are desirous of changing the name of the company which was incorporated last year, as the bill says, to the Northwest Transmission Company Limited.

This change of name will enable them to take advantage of any opportunity which may develop elsewhere in western Canada for the construction of a pipe line across provincial borders without confusing with their local Manitoba pipe-line company. As hon. members will see, this bill has passed through the Senate and no objection was raised there at the proposed change of name. The powers and objects of the company will remain the same. The amendment, as I pointed out, is of a minor and technical nature. If there are any legitimate objections to the proposed change of name they can be considered by the committee on railways and telegraph lines, to which I suggest the bill be referred.

[Mr. Weaver.]

Mr. J. W. Murphy (Lambton West): I shall only be a moment, Mr. Speaker. So far as we are concerned we are in agreement with what the hon. member has just said. The only confusion in my mind is with respect to the fact that in the one name the word "pipeline" appears and in the other the word "transmission" appears. However, that can be cleared up in committee. So far as we are concerned, we are in favour of the change of name.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

GRAND FALLS CENTRAL RAILWAY COMPANY LIMITED

Mr. T. G. W. Ashbourne (Grand Falls-White Bay-Labrador) moved the second reading of Bill No. 301, to incorporate Grand Falls Central Railway Company Limited.

He said: Mr. Speaker, the purpose of this bill is to incorporate a railway company under the name of Grand Falls Central Railway Company Limited which will be a wholly owned subsidiary of the Anglo-Newfoundland Development Company, generally known in Newfoundland as the A.N.D. Company, which will carry on the existing railway operations of the A.N.D. Company. This company, when originally incorporated under the Newfoundland Act in 1905, was granted at the time of incorporation special rights pertaining to the operation of a railway. It last year celebrated its 50th anniversary.

The railway was constructed to enable the company to carry on its pulp and paper operations, and there are 22 miles of track servicing the towns of Grand Falls, Windsor, Bishop's Falls and Botwood. The railway, which carries the company's products from the Grand Falls paper mill is used also for the transportation of ore concentrate from Buchan's mines as well as the transportation of miscellaneous goods and passengers.

In addition to the railway itself the company maintains storage and wharf facilities at Botwood. The A.N.D. Company has invested in railway equipment a sum in excess of $2 million, and it is employed as a common carrier of goods. However, it is thought desirable that its operations should be in a separate corporation, owing to the magnitude and diversification of the A.N.D. Company operations. The railway company,

servicing as it does four towns in Newfoundland, has an operational character quite distinct from that of the A.N.D. Company itself. One of the main reasons, therefore, for seeking a special bill to incorporate a railroad company is to separate the rail activities from those of the A.N.D. Company.

In addition, after the company is subjected to federal authority in its railway operations it will be a common carrier, and shippers, including not only the A.N.D. Company but all others at present existing or in the future, will be given the benefit of the Maritime Freight Rates Act. The Maritime Freight Rates Act, chapter 174 of the revised statutes of Canada, arbitrarily grants to industries shipping in and out of the maritime provinces a 20 per cent subsidy on rail movement. The statute was enacted to assist the industrial growth of the maritime provinces of Canada, and by section 12 of the act is applicable to the province of Newfoundland. The act was applied to the province in keeping with the terms of union of Newfoundland with Canada.

The A. N. D. Company Railway at the present time is a provincial railway, being owned and operated by a company subject only to provincial authority. The operation of the A. N. D. Company railway by a company incorporated by federal act will subject the railway to federal authority in every regard. Principally, the maintenance and operation of the railway will be subject to the provisions of the Railway Act and the jurisdiction of the board of transport commissioners. The enactment of this act will bring this railway, which is in many regards public in its scope, within the standard pattern of railway operations found throughout Canada.

There exists somewhat similar circumstances where private railways are subject to federal authority, including in the maritimes Canada and Gulf Terminal Railway, Grand Lake and New Brunswick Coal and Railway Company, Cumberland Railway and Coal Company, Dominion Atlantic Railway, and Sydney and Louisburg Railway. The bill asks for the incorporation of the railway and touches on the following points: The capital stock will be $100,000. It is proposed initially that the railway company will rent the railway from the A. N. D. Company, and accordingly the capital stock of the company need not be great at first.

Its head office will be at Grand Falls, Newfoundland. The issue of securities will be limited to $50,000 per mile. It is not intended at the present time to issue any securities, but if and when the railway company acquires the railroad it is thought this would provide adequate financing.

Authority is sought to issue preferred stock. It is not intended at the present time to issue preferred stock, but this might be desirable if and when the railway company purchases the railroad. Power is asked to generate and distribute electric energy. This is necessary to maintain the existing railway operations. It is necessary to have vessels, wharves and warehouses to enable the company to carry on its present operation. Hotels and restaurants are required to enable the company to provide for the convenience of passengers using the railway.

I should like to say, Mr. Speaker, that about 411,000 tons of products were carried by the Anglo-Newfoundland Development Company's railroad during 1955, which included 14,000 tons of coal, 12,000 tons of limestone, 170,000 tons of newsprint, 74,000 tons of oil and 110,000 tons of concentrates, as well as feeds, foodstuffs, firewood, general merchandise, live cattle and fresh vegetables.

I presume the order of the house will be that this bill be referred to the standing committee on railways, canals and telegraph lines.

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I would like to indicate the general interest of the official opposition in this piece of legislation. This is a provincial company which has now decided to get federal incorporation of the railway aspect of its operations, and in future it will be governed by the board of transport commissioners.

This bill was considered in the other place and was gone into extensively. Their committee dealt with the various clauses of the bill and saw fit to delete at least the sections which concerned highway legislation. It has been suggested, Mr. Speaker, that one of the main reasons for this incorporation is to enable the company to receive the benefits of the Maritime Freight Rates Act. The benefits of this act are now available to Newfoundland since it joined the union, and we certainly welcome their participation in those benefits, if they are benefits, today.

I hope the company is not under any great illusions about what the benefits of the Maritime Freight Rates Act may be, because those across the board increases that have been effected in recent years have nullified a great many of the benefits that were seemingly there. This is another story, Mr. Speaker, and I only mention it to warn them that we may need some of their lobbying power in the future.

This is an extensive piece of legislation, Mr. Speaker. There are wide powers in it. I notice that in one of the clauses there is even power to construct and maintain a pipe

line. I merely show approval and say that we hope the committee will consider this legislation in the comprehensive way that it does all other such railway operations.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this legislation appears to be to the general advantage of all the people concerned, and on that account this group support the principle of the bill. I want to thank the sponsor for supplying us with some information prior to the debate on second reading. Since the bill is to be referred to the committee on railways, canals and telegraph lines, we shall have an opportunity on that occasion to ask questions and get further details.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

MARITIME STOCKBREEDERS' ASSOCIATION

Mr. G. T. Purdy (Colchester-Hants) moved the second reading of Bill No. 340, respecting the Maritime Stockbreeders' Association.

He said: Mr. Speaker, this bill seeks to amend the act of incorporation of the maritime stockbreeders' association passed by this house in 1902, and also to add one additional clause. The chief object of the maritime stockbreeders' association, as indicated by the name, is to develop and improve the livestock industry in the maritime provinces, and their chief activity is the holding of the maritime winter fair at Amherst, Cumberland county, each fall, just prior to the Royal winter fair at Toronto. I believe any of the hon. members who have attended the Royal at Toronto will have been rather impressed with the type of livestock shown from the maritime provinces.

The purpose of this bill is briefly to amend one clause of section 2, which reads as follows:

To hold livestock exhibitions.

The amendment cancels that section and introduces a new section which is paragraph (c) of section 1, which reads as follows:

To hold exhibitions of livestock, agricultural produce and any other products, goods or services produced on or for a farm, and also to make available its facilities for the purchase or sale of any such livestock or other such agricultural produce, products, goods or services.

This brings the powers under the bill more in keeping with the type of shows and activities which they have at the present time. I might add, with some degree of pleasure, that although possibly the maritimes are not known as a stockbreeding country, yet for the first time in the history of Canada the president of the shorthorn association comes from my constituency and the town of Truro. He is Mr. W. A. Flemming, who is the breeder of a fine grade of shorthorns.

The second clause, and the new clause, give the association power to borrow money. Previously they did not have this power and they had to finance, when they needed assistance, through the help of the directors. The chief source of income of the association in carrying on the maritime winter fair is, in addition to the entrance tickets, the grants from the three maritime provinces as follows: Nova Scotia, $4,600; New Brunswick, $4,000; Prince Edward Island, $2,500. Up to last year those sums were increased by a grant of $5,500 from the federal government. I am pleased to say, sir, that, owing to representations by the livestock breeders of the maritime provinces, the federal government, in its wisdom, has now agreed to match the amount granted by the three maritime provinces.

For the most part, the purpose of the borrowing power is merely to enable the association to settle its accounts on the dot instead of waiting until the grants are received from the provinces and from the federal government. It may be that some other explanations will be required and I shall be glad to give them when the bill goes to a committee, as I suppose it will.

This bill has also been before the Senate. On behalf of the stockbreeders of the maritime provinces I should like to pay tribute to the senator from Milford-Hants and to the officials of the Senate for the assistance they have given us in getting this legislation in form. I trust that in due course, sir, I will convey similar thanks to the hon. members and the officials of this house at the appropriate time.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, speaking for this party I am glad to say we will support this measure. The bill just reached us a few minutes ago and we have not had much opportunity to study it. However, in view of the explanation given by the hon. member we have no desire to hold it over. It is going before a committee.

I think all the encouragement that can be given to the stock breeders of the maritime provinces should be given to them. As far as I can learn the livestock industry is picking up considerably in the maritime provinces. In my own province of New Brunswick I know it is growing and becoming an extremely important part of the agricultural program. I think the maritime winter fair is an important winter fair. I know we have several breeders in my own constituency who

go down there with livestock. The fair encourages stock breeders throughout the maritimes. For that reason, and without saying anything more, I shall conclude by saying we are very glad to give our support to this bill.

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

OGDENSBURG BRIDGE AUTHORITY

The house resumed, from Friday, May 18, consideration of the motion of Mr. Henderson for the second reading of Bill No. 300, respecting Ogdensburg bridge authority.

Mr. John B. Hamilton (York West): Mr. Speaker, apparently we cannot talk about the northern Ontario bridge but we are at least being given an opportunity to talk about the Ogdensburg bridge. I have had a chance to read over this very short amending act and I have only a few observations to make because, as in the case of the previous bills, the expectation is that this bill will be going to a committee where I am sure we will be able to get all the answers that are required.

I do not think there is any doubt that the more lines of communication of this type we have to the United States the better off we will be. I notice that in the previous debate in 1952 the attitude was that this bridge represents an opportunity for increasing the flow of tourists to this country, which in the long run will be of great benefit to us. From the standpoint of the exchange of tourists I am sure this bridge will serve a useful purpose. I know that our authority will be most interested in going along with any reasonable suggestion for getting this bridge built.

I notice that in the original incorporating act we again have a case where there are provisional directors. I think there are approximately eight directors from the state of New York and two from Canada. I am not sure whether this is going to be moved from the provisional stage to the permanent stage, but it is one of those frightening things in connection with the administration of anything which is a joint effort to always see the balance to the south of the border.

I might make this observation too, sir. One of the two gentlemen listed as a Canadian provisional director is the ubiquitous Mr. Duncan K. MacTavish, who is connected with almost every effort of this kind. How he manages these jobs along with that big political job of his, I cannot venture to suggest.

I notice too, sir, that in the remarks made by the hon. member for Kingston he indicated that at the end of the redemption period of the bonds which are being provided this bridge would revert to public ownership. I assume it would be jointly owned in equal proportions by the state of New York and whatever authority is designated here in Canada. I could not tell by the language he used in one place whether the state of New York was actually loaning this money or whether authority was being granted by the legislature of the state of New York to the corporation to borrow this amount of money. At page 4103 of *Hansard* the hon. member said:

> I might mention the fact that the legislature of the state of New York has just approved a bill authorizing the sum of $15 million to be lent to the company to be secured by debentures and to be used in the construction of this particular bridge.

Now, if in fact that wording indicates that the state of New York is going to loan all this money, that of course might indicate why the provisional board of directors is set up on the basis provided in the original act.

In addition I might point out that under section 18(1) of the original act, which is chapter 57 of the statutes of Canada, 1952, there is a provision that authority from the governor in council must be obtained within five years in order for this to be effective and to continue as good legislation. It seems to me that either now or at the committee stage, before authorizing this additional money we should have some indication as to whether this corporation is prepared to go ahead and whether it is now in a position to comply with the original provisions laid down in section 18. It seems to me if we are going to increase the authorization for the debentures and then wind up at a dead end we will have been put to a considerable waste of time. I think in committee the sponsor of the bill should be able to put us in possession of information of that kind.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

LA CORPORATION DU PONT DE TROIS-RIVIÈRES

The house resumed, from Friday, May 18, consideration of the motion of Mr. Boisvert for the second reading of Bill No. 302, respecting the construction of a bridge over the St. Lawrence river near the city of Trois-Rivières.

Mr. Leon Balcer (Three Rivers): Mr. Speaker, my first words will be to tell the house that we on this side of the house intend to support this bill.

During the last federal election I became convinced of the need for such a bridge between the riding of the mover, the hon. member for Nicolet-Yamaska, and my riding,

because I had the opportunity to go and speak against him in his riding, unfortunately with no success. I had to sleep overnight on the wharf at Ste. Angele because the ferry had ceased running for the night. I realized then the importance of a bridge between the ridings of Three Rivers and Nicolet-Yamaska.

(*Translation*):

Mr. Speaker, since the sponsor of the bill spoke French while explaining to the house the various points which commend this legislation to its attention, I would like to follow suit in offering a few remarks on this point.

First of all it must be noted that this bill represents the final result of a truly magnificent campaign undertaken by the whole population of the district of Three Rivers. This move for the construction of a bridge spanning the St. Lawrence river was sparked by the newspaper *Le Nouvelliste* which, by keeping at it, aroused public opinion in this connection. While a very large measure of credit must also go to the Three Rivers chamber of commerce, the whole population has expressed its determination to see this bridge built by providing some $35,000 for preliminary survey work. It is because of all this that this house is now being asked to consider this bill.

As is well known, Three Rivers is situated at the very heart of the province of Quebec; it is the largest paper-manufacturing centre in the world, and the development of the whole area is making giant strides. It can be seen that the northern shore of the river, in the centre of Quebec, is above all an industrial area. Indeed, the cities of Three Rivers, Cap de la Madeleine, Shawinigan, Grand Mere and La Tuque, whose population reaches at least 125,000, are enjoying great prosperity. There can be found diversified industries which were attracted there in the wake of power developments on the St. Maurice river.

Across the river, as pointed out by the mover of the bill, we have the largest agricultural county of the province of Quebec, namely Nicolet county, as well as other equally prosperous cities. Unfortunately there are no means of communication between both shores, except the ferry which has always more than it can carry, at least in the summer months. Therefore, I sincerely believe that hon. members should support the second reading of this bill.

(*Text*):

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

[Mr. Balcer.]

CANADA GRAIN ACT

AMENDMENT RESPECTING DISTRIBUTION OF BOX CARS

Mr. H. R. Argue (Assiniboia) moved the second reading of Bill No. 210, to amend the Canada Grain Act (distribution of box cars).

He said: Mr. Speaker, the principle of this bill is to give to the grain producers what I consider to be a fundamental democratic Canadian right, the right to do business with the firm of their own choice. Other Canadians in every walk of life when wishing to make purchases or sales are free to select the firms of their choice.

Because of the very severe congestion in the marketing of grain producers are able to deliver grain only to an elevator which has space, and space is made available in an elevator only when it receives box cars. The proportion by which box cars are allocated to the various elevators constitutes the proportion of deliveries to those elevators.

I have introduced a similar bill on previous occasions and the Minister of Trade and Commerce has said that it would interfere with the wheat board's buying and assembling of grain; if a rigid allocation were made based on the producers' choice, he said the wheat board would not be able to call out the grades and kinds of grain which were required at the time. Thinking there might be some validity in that argument I have placed the following proviso in this bill:

> —provided the Canadian wheat board may order cars loaded at any elevator for the purpose of shipping
>
> (i) out of condition grain or grain in danger of spoilage;
>
> (ii) grain of a kind and grade that cannot otherwise be acquired for the purpose of meeting Canadian wheat board sales or other requirements.

Apart from that the bill is exactly the same. The bill will allow producers at a given marketing point to allocate their acreage among the elevator companies at that point. After a certain period had elapsed the acreage would be added up and the railway companies would be required to spot box cars in the same proportion that producers had allocated their acreage among the elevator companies.

I might say that the principle of this bill has the support of the main farm organizations in western Canada. We have had a thorough discussion of this subject in the standing committee on agriculture and colonization last year and two years ago and it became clear, particularly last year, that the wheat pool organizations supported a system of box car allocations based upon the producers' choice. It is true that the suggestions they made took a somewhat different form, but the principle of their proposal is

the same, namely that the producers themselves by way of ballot should be entitled to state the allocation of box cars.

Congestion in the west is still very severe at many if not nearly all marketing points. The highest delivery quota in effect today is, I believe, 6 bushels per acre. Of the some 2,000 marketing points, 15 are on a 2-bushel quota; 530 are on a 3-bushel quota; 533 on a 4-bushel quota; 510 on a 5-bushel quota, and 342 on a 6-bushel quota. In other words one-third of the marketing points today are on a low quota of 3 bushels per acre or less. Certainly at the vast majority of marketing points the elevators are plugged. Farmers are able to deliver grain only when box cars are spotted at the elevators.

This is not a situation brought about solely by large crops, or because of difficult marketing conditions, this is something which has been brought about by changed methods of harvesting and delivering grain. With modern methods of harvesting and delivery of grain to the elevators our farmers are able to deliver their whole crop in a very short space of time. That being the case, congestion is almost certain to be with us, at least for given periods during every crop year. With congestion on a semi-permanent basis, it is clear that some different form of allocation of box cars must be arrived at from the one presently in existence.

As I understand it, box cars today are allocated in this way. The wheat board hands out shipping orders to the various elevator companies and at various marketing points. The transport controller then may or may not discuss with the railway companies the overall total of box cars that must be made available within a given period of time, but when it comes to the actual number of box cars placed at a given elevator it is the responsibility of the railway company.

So the railway companies themselves are actually allocating the box cars as among elevators. Some elevator companies may complain of the distribution on the grounds that their company is receiving an unfair allocation of box cars. I am not particularly interested in whether a given elevator company claims it is getting fewer box cars than it is entitled to, but I am interested in establishing the principle that a producer shall have the right to deliver grain to the elevator of his choice.

I see no reason why the railway companies, instead of the producers, should be given the right to allocate box cars and to determine the number of box cars that will go to a given elevator company at a given point. If you have four elevator companies at a given point and it should happen that the railway companies spot box cars on an absolutely equal basis, one car for each elevator, that is precisely the allocation of the grain the farmers must make. If the railway company, for one reason or another, should spot twice as many box cars at one elevator as it does at some other elevator, the farmers must under the circumstances deliver twice as much grain to the elevator getting twice as many box cars.

We heard a great deal of evidence on this subject a year ago. We had some evidence two years ago, when the Minister of Trade and Commerce said that he was actively considering—and I took it to mean that he was going to establish—a system of box car cycles based on past experiences, with allocation at a given marketing point determined on a certain base period. The car cycle was never established.

Last year, before the agriculture committee, we had representatives from farm organizations, in particular representatives from the farmers' union and the wheat pools, speaking in favour of the principle of giving to the farmers once a year a chance to state where they wished to deliver their grain. On the basis of the statements of the producers, those instructions should go out to the railway companies to so apportion box cars. That has not been adopted. The government has said no.

Mr. Howe (Port Arthur): What did the committee recommend?

Mr. Argue: That is not a very important question, because the Minister of Trade and Commerce knows full well that the committee was just an extension of the house and that on every committee of this house—as in committee of the whole—the government has an ample majority to make certain, if necessary, that the wishes of the producers themselves are denied; and the democratic wishes of a large section of Canadians are in fact denied. So the whitewash report that was brought in by the committee last year did not mean anything. It merely asks that consideration be given to the problem. I am not sure what consideration was given to it, but certainly no solution has yet been forthcoming.

The Saskatchewan wheat pool convention, again this past year, passed a resolution asking for this type of box car allocation. They have told me, and I am sure it is correct, that as an elevator system they are getting a somewhat larger percentage of box cars than they did a year ago, and that from the standpoint of the company there has been a slight increase in the allocation of

box cars. I am not at all interested in knowing whether the wheat pool system or the McCabe elevator system or any other elevator company receives more box cars or fewer box cars. That is not the point.

The point is that a producer should have the right to do business with the elevator of his choice. If, when he is given that right, it happens that one elevator company may lose or may gain business, that is neither here nor there. What I am advancing today is the proposition that farmers, like other Canadians, should have the right to do business with the firms of their choice.

Mr. Victor Quelch (Acadia): As the hon. member for Assiniboia has already pointed out, this bill is similar to bills he has introduced to the house on previous occasions. On those occasions we always supported the bill.

The principle of this bill has been endorsed by the wheat pools and by farm organizations; and the principle, briefly, is that the box cars should be allocated on the basis of the farmer's choice in order to enable the farmer to deliver his grain to the elevator that he desires. We believe that principle is sound and, therefore, we intend to support the bill.

Mr. Rene N. Jutras (Provencher): Mr. Speaker, I should like to say a few words on this bill. I had not intended to get into the debate at this stage, but in view of the remarks of the hon. member for Assiniboia I think I particularly, as chairman of the agriculture committee, should say a few words on what faced us there.

This is the first time I have heard him refer to the committee report last year as a whitewash of government policy. I realize that the government members have a majority on that committee, but in all fairness I think other members, even from other parties, will agree with me that in our consideration of this matter last year we went to very great lengths and considered all angles of the problem. I am sure that many members of other parties will agree that we came to one conclusion. I am not referring to the report; I am referring to the minds of the members who heard all the evidence that was presented.

I think we will all agree, and we have to admit, that in the circumstances in which the Canadian wheat board and the board of grain commissioners are operating at the present time, and were operating last year, the one over-all and primary consideration that has to be kept in mind is that the grain has to be made available and brought in to a selling position, and that has to override any other consideration. To be able to do that, it was recognized by all that we had to give priority to the Canadian wheat board, and the right to proceed on the basis of shipping orders.

As I say, one of the important things is to get the grain in a position where we shall be able to deliver it when people ask to purchase grain from the Canadian wheat board. If we start from the assumption that shipping orders have a priority over everything else, then there is not much practical point in inserting new sections in the Canada Grain Act or putting in new provisions, because even these will have to take second place to the shipping orders of the Canadian wheat board. In effect you only add a new clause to an act, which clause cannot be operative under the circumstances. We went into this matter at very great length and came to the conclusion, which was an honest one, that in view of this over-all priority the best that could be done in the circumstances was to make sure that box cars would be spotted in the same proportion as the shipping orders issued by the Canadian wheat board.

The hon. member for Assiniboia made the statement a while ago that the railways were allocating the box cars. That statement is not quite accurate. It is true, and it is bound to be true, that the railways spot the cars. I do not think anybody would suggest that people from the Canadian wheat board should go out to all the stations and spot the cars. The spotting is done on instructions of the Canadian wheat board or the transport controller, and it has already been placed on the record that the railways have been instructed to spot the cars in proportion to the shipping orders issued by the Canadian wheat board, as was recommended by the standing committee on agriculture last year. I see the hon. member for Assiniboia shaking his head.

Mr. Argue: They do not do it.

Mr. Jutras: The claim is made by the hon. member that the railways are not doing that. My information is that they are, at least to a great degree. I should add here on this point that all last fall, all last year as a matter of fact, because of the unusual congestion period, possibly the worst, through which we went, I doubt if any wholly satisfactory system could have been devised and put into operation. For several months until winter there was no movement at all with the exception of malting barley, flax and grain in demand by the domestic millers of the country. As we know, Canadian millers, as is the case everywhere else but particularly in Canada, want special grades of grain from particular localities according to the protein content of that grain. Therefore when you have demands affecting special areas and only special areas, there is no system of allocation of box cars you can possibly institute

[Mr. Argue.]

that will spread box cars all over the three western provinces. These are very exceptional cases.

To try to judge at this time the attempt made last year as the result of the recommendation of the committee is, I think, premature because I do not think there has been sufficient time to put the plan into operation properly. I am informed that within the last few months another attempt has been made. I believe the railway agents have been asked to post the shipping orders of the various companies in their localities. Once they do that they give a clear indication to the various elevator houses at the particular point as to exactly what the Canadian wheat board shipping orders are. Thus the various companies are able to check and see whether this particular instruction about which I am talking, the spotting of box cars in proportion to shipping orders, is being carried out, and will be in a position to state definitely whether or not the railways are complying with the orders.

I have no doubt that once this system is in general use box cars will be spotted in accordance with the instructions issued by the transport controller. As we know, the railway companies as a whole are not there to make the situation more difficult. They are usually quite co-operative. They are quite prepared to do what is feasible and practical from their point of view. The only thing is that they want to know definitely what they are supposed to do before attempting to do it. With this latest development I have no doubt that box cars will be spotted in the same proportion as shipping orders are issued.

But the allocation of box cars and the actual sale of grain are, of course, two different things altogether. No matter what you do by way of allocating box cars it does not add to the number of box cars and does not add to the deliveries that are to be made. I must come back again to the point which was made in another debate. The hon. member for Assiniboia is very insistent with respect to the question of the 3-bushel quota or the 2-bushel quota or the 1 or the 5. I want to submit again that the quota does not tell the whole story. As I said previously, even with a higher quota in Manitoba our wheat deliveries for this crop year are below the average of the last ten years. Therefore the actual quota does not tell the whole story. What tells the whole story is the actual amount of grain that is delivered, and I submit that it is not right merely to take the quota if you want to make a fair comparison between districts or between provinces.

For instance, there may be a 5-bushel quota and not enough grain to deliver more than 2 bushels. That has occurred in many instances. I know of one case at a small point not very far from my home where there are only 25 producers. They already had an elevator and they built two annexes. Naturally with 5 and 8-bushel quotas they have practically enough space to take care of the whole crop. But to point to this situation and say that this is unfair to farmers in Saskatchewan or Alberta is to give an entirely wrong impression.

On motion of Mr. Jutras the debate was adjourned.

The Acting Speaker (Mr. Applewhaite): At eight o'clock the house will resume consideration of the business interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed consideration of the motion of Mr. Howe (Port Arthur) for the second reading of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, and the amendment thereto of Mr. Diefenbaker, and the amendment to the amendment of Mr. Coldwell.

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): Mr. Speaker, I propose this evening to deal with one particular aspect of this pipe-line controversy. I should like to discuss public versus private ownership. The C.C.F. group in this debate, in accordance with its principles, has advocated public ownership and has moved an appropriate amendment. I think the house and taxpayers generally should realize that if this amendment carries, the taxpayers of Canada ultimately will probably have to find in the neighbourhood of $1 billion in investment funds.

The government, on the other hand, has suggested that it will build the pipe line by public ownership, only as a last resort. In trying to assess the relative merits of the two methods of ownership, it seems to me that hon. members might benefit from the experience of the Saskatchewan government since 1944 in experimenting with state ownership.

Northern Ontario Pipe Line Corporation

Twelve years ago, in an effort to diversify our economy and provide jobs for Saskatchewan citizens, the C.C.F. government embarked on a program of state ownership. They introduced a program of socialized industry. I think the objectives of the program were laudable. Certainly most people at that time were sympathetic with those objectives.

But in this pipe-line debate, where one of the major issues is public ownership, I suggest that two questions should be posed and considered. First, in Saskatchewan have publicly-owned companies been able to operate efficiently? Second, has the experiment as a whole been successful? I think the answers to those questions should be of value in these deliberations.

Now, Mr. Speaker, since taking office in 1944 the C.C.F. government has either taken over or set up 19 different crown corporations. In those companies it has invested the sum of approximately $130 million. I suggest we take a look at each company individually to see how it has fared. One of the first enterprises set up was a leather tannery. The purpose of the industry was to tan Saskatchewan hides and make them into leather. Unfortunately its activities were ill-fated and short-lived. The company moved from one economic crisis to another until 1952. In that year it was leased to a private company, but only after the venture had cost the taxpayers of my province, in operating deficits, about $260,000.

A shoe factory was set up in 1945 to utilize the leather which was made in the tanning factory. I recall that Premier Douglas, speaking in Brandon, Manitoba, announced, and I quote from his speech:

> The tannery and shoe factory, now being operated by the C.C.F., can make shoes for $2.75 a pair and not lose money.

In spite of the premier's optimism on that occasion the shoe factory did lose money. So much so, in fact, that in 1948 it closed down after having accumulated deficits of more than $82,000.

A housing corporation was set up after the war to convert military huts into housing accommodation which could be rented. Despite the fact that its progress in building housing accommodation was extremely limited, after a very few months it was able to accumulate a deficit of $42,400. In 1947 this corporation closed down.

Very early in its first term of office the C.C.F. government set up a fish board and built a number of fish filleting plants in northern Saskatchewan for the purpose of helping northern fishermen. Every commercial fisherman in the province was compelled by law to sell his fish to the board. Despite this fact, almost from its inception the board lost money. After accumulating a deficit of roughly $400,000, the government was forced to close it down in 1949. The fish board was then replaced by the fish marketing service which was given annual grants by the government. This new service, up to the end of last year, had accumulated deficits of $180,000.

A woollen mill was set up in my home city of Moose Jaw. It was intended as a method of utilizing Saskatchewan wool. The theory behind it was excellent. This industry, however, was in difficulties from its opening day, and when it finally was forced to close in 1951 it had accumulated deficits of $830,000, and had paid no interest at all on its advances. The mill was transferred to a private company at bargain basement prices. That company finally moved the machinery out of the province, and today the whole operation is defunct.

In 1951 a lumber mill was set up at Big Beaver, Saskatchewan. Within a year and a half the mill had an operating deficit of almost $100,000, and had cost the treasury another $54,000 in interest on its advances. In 1951 the mill was merged with the provincial timber board, and since that time its losses have been concealed and absorbed by the board.

A brick plant was set up in the town of Estevan. From its incorporation that plant has run into engineering difficulties, technical difficulties, selling difficulties, overproduction; and high employee lay-offs. As a matter of fact, in nine years of operation the government sank $900,000 into the venture, which managed to pile up a deficit of $176,000 by the end of last year.

Now, Mr. Speaker, in every one of the cases I have mentioned so far there was competition from private enterprise. It is significant to note that under those circumstances, in virtually every case the crown corporation was unable to compete effectively. Invariably they lost money, and usually they were forced to close their doors completely.

What of the other crown corporations? Superficially some of them have shown substantial profits, but again without exception, closer examination and analysis shows that they were able to do so because they enjoyed either government compulsion or some kind of monopoly privileges. The Saskatchewan telephone company is a very good example. Hon. members will realize that in Saskatchewan the telephone business is a complete monopoly. Since the end of the war the company has increased its rates numerous times, and very steeply. As a result the government

has been able to show a profit of $3·8 million. In other words the crown corporation—

Mr. Nicholson: The lowest rates of any.

Mr. Thatcher: I will tell the hon. member for Mackenzie (Mr. Nicholson) that experience is a great teacher, and it is a very foolish man who will not benefit from experience.

Another two crown corporations which were set up were the Saskatchewan government insurance office and Saskatchewan Guarantee and Fidelity Limited. Last year these companies showed a combined profit of $460,000. At first glance this is very gratifying. However, when you examine the companies you find that much of the business has been obtained by compulsion. For instance, every person in Saskatchewan today who wants to licence his car or his truck, must at the same time take out an insurance policy from the government insurance office. There is another law which is equally interesting. This law says that every hospital, every sanatorium, university, every school or every orphanage which receives a grant from the provincial government, must take out its insurance with the Saskatchewan government insurance office. So I say it is small wonder that under those circumstances these companies can show a profit.

A printing company was set up by the provincial government, which over the years has accumulated profits of $470,000. Of course, I am very gratified that it has been able to make these profits. But once again it should be realized that the company enjoys a monopoly of government printing. There is no such thing as competition. It sets its own rates.

A sodium sulphate plant was set up in the town of Chaplin. Several private companies were already operating throughout the province at the time, but the government regulations were passed which either forced these companies out of business, or forced them to sell to the provincial government. One such plant was in my old riding of Moose Jaw at Bishopric. I say that as a result of the unfairest kind of competition that plant at Chaplin has been able to show a surplus.

The Saskatchewan timber board is one of the most profitable of all crown corporations. Up to the end of last year it had accumulated profits of $2·8 million. How did it do so? Because it has a complete monopoly of all the lumber harvested in the province of Saskatchewan. Every person is forced to sell his lumber to the timber board at relatively low prices. Then the government, in turn, sells the lumber on the high Canadian and United States markets.

The government has a fur marketing board, and at the end of 1955 that fur marketing board had accumulated a surplus of $346,000. Once again the reason is apparent. Every trapper in Saskatchewan, until recently, was forced by law to sell his skins to the fur marketing board.

A bus company was set up and it was given a monopoly of all the major routes within the province. Any companies which were then operating in the province were forced to sell out to the provincial monopoly. Despite that monopoly, last year this bus company on an investment of $1,900,000 was only able to make a nominal profit of $12,000, and if proper accounting methods had been used it would have lost money.

Now I wish to say a word about the Saskatchewan power commission, which distributes electricity, but which also has set up a gas monopoly quite recently in my province. I listened to the speech of the hon. member for Moose Mountain (Mr. McCullough) the other day, and on page 4096 of *Hansard* he is reported as having made this statement:

> I, together with my colleagues in the C.C.F. party, feel it is essential that this be a public undertaking, so the Canadian consumers of gas will not be fleeced by a monopoly in that field.

I suggest that we look at comparative rates for a moment to see what company is doing the fleecing. Today in Edmonton, which is roughly the same distance from the gas field as my home city of Moose Jaw, the domestic rate averages 29 cents. I am told that the Calgary rate is 30 cents, and in all the Alberta cities the rate is roughly comparable.

In Saskatchewan the C.C.F. government is charging 83 cents in the city of Saskatoon and it is proposing to charge a similar price in Moose Jaw and Regina. I say that such a price looks fantastically high to me. Trans-Canada Pipe Lines, the company we are discussing today, proposes to deliver gas in the province of Saskatchewan for 21·3 cents per thousand cubic feet, at 100 per cent load factor. In Manitoba they will deliver gas at 26·2 cents.

I admit at once that the cost of distribution would be over and above these figures. But I have discussed this matter with the hon. member for Calgary South (Mr. Nickle), and he informed me that the average cost of distribution in Alberta cities is 15 cents. In other words, I say that the government monopoly in the gas field in the province of Saskatchewan is charging more than double what private enterprise is charging in the province of Alberta.

I say that if any company is doing any fleecing in the gas industry today, it is the Saskatchewan power commission in my province. I also say, Mr. Speaker, that if such

a high price is the main benefit that our people can expect from public ownership, then I think many citizens in my province are going to be very disappointed when they learn the facts.

I say tonight, Mr. Speaker, that the Saskatchewan program of socialization was born in high hopes and with laudable aspirations. But today it is apparent that the program has bogged down in a morass of bungling, red tape, inefficiency and inexperience. I say there is not a single Saskatchewan crown corporation that has operated in the black for a reasonable length of time without special privileges or compulsion of some kind. I say the program has been a tragedy and a very costly fiasco. I think it has been a dismal failure. At one time I believed in public ownership. But after holding office for 14 years I am absolutely convinced that public ownership should only be used under very special circumstances. Generally speaking people simply will not work for the government in business, as efficiently as they will for private enterprise.

Mr. Ellis: Nonsense.

Mr. Thatcher: I firmly believe that passage of the amendment which is before us tonight providing for a publicly-owned pipe line would mean that gas for the consumer in Canada would cost a good deal more money than it would if it were handled through Trans-Canada Pipe Lines. Surely the experience of the Saskatchewan power commission proves this contention. This is one of the main reasons why, tonight, I am supporting the government proposal, Mr. Speaker.

Mr. John B. Hamilton (York West): Mr. Speaker, not finding any necessity to take part in the Saskatchewan election I shall have to assure my hon. friends that I cannot work up the head of steam that I have seen worked up here tonight nor, for that matter, that I saw worked up last night in connection with the Saskatchewan election.

As a matter of fact, Mr. Speaker, I do feel that there is a great deal of responsibility on the shoulders of anyone who takes part in this debate. I wonder just how we can qualify to take part in it? For my part, sir, I can say that I have read the legislation; I have read the correspondence; I have read the contracts. As a matter of fact, sir, I have been in Alberta very recently and talked to people there, and as a further step I also visited a country where, after exploitation by certain gas companies, those natural resources were taken over by the state, and I saw a situation which I did not like. Whether or not these things qualify me to speak tonight I do not know, but it seems to me what is required in this debate is a true sincerity of approach to the problem we face.

I listened to the hon. member for Wellington South (Mr. Hosking) who said this would be the most important debate that he would take part in during his lifetime in this house, and I think for the most of us that is very true. At the same time, we honestly come to different conclusions as the result of our feelings.

You know, sir, one of my best friends on the other side of the house said to me that one thing I should avoid is being personal in these debates. But I find that a debate of this kind brings us to the point where even personal friendships are being strained to the limit. Therefore if tonight I break the rule I have followed it is because I feel some things are so important that they must be said.

Sir, I should like to go over what the Prime Minister (Mr. St. Laurent) said today. You know, he appeared to me to be presenting a brief, and I am sure he has had long experience in doing that job. Therefore I would like to take his case point by point. First of all, he said he would divide his address into two parts. He would first of all talk about the bill itself; and, second, he would refer to the problems of the rules as he saw them in connection with this debate.

The first thing he said was that there was an opportunity provided here for Canadians to have a 51 per cent interest in this pipe line. I say, sir, the time is long past when such a provision should have been made. Encouragement should have been given to Canadian investors by this government as it is given to foreign investors at the present time. The Prime Minister knows very well the many methods and subterfuge that may be used in connection with just such a provision as he read to the house this afternoon.

Oh, let us be quite clear about that, sir. There is no eventual guarantee that we shall not have all the straw men and the necessary trustees undisclosed to acquire the necessary stock to leave the control of this company where it is right now.

He mentioned as his second point that there was a problem concerning pipe, and that this company first of all had an option and then it acquired a contract to obtain the necessary pipe for this job. Well, Mr. Speaker, I think that is the biggest stick we have seen used in business for a long time. The other night the Minister of Finance (Mr. Harris) took us to task for saying we were dependent on an outside agency of some kind. It may not be a government agency in this case, but it certainly is an agency of American business.

In view of the fact we are having so much trouble obtaining pipe for this job I am wondering if it would not have been wise when we first started to discuss this matter five years ago for the Minister of Trade and Commerce to have devoted some thought to the question of fabricating this kind of pipe in Canada.

Mrs. Shipley: Why not join the C.C.F.?

Mr. Hamilton (York West): If he had done so I am sure we would not have found ourselves in this position today. Do not let us think there is not a big stick here. Do not let us think there is not a problem in connection with pipe. The government of Ontario found the same thing. If you look at their records you will find they would like to have seen another method of handling this proposition. I must say the Ontario government has worked out a very good deal. It has insured that as far as it is concerned not one dollar of Ontario money is going into the line unless the federal government can prove this job can be done. I say in all sincerity—and I say this to the hon. member for Wellington South—that Mr. Frost will look after himself and he will look after you people, too, as he does regularly every three years.

Why was the bill before the house necessary? That was the question the Prime Minister asked in his fourth point. Well, he said this was to implement a Canadian policy going back as far as 1907 dealing with the development of our natural resources. He was talking about our natural resources; but on the previous day the Minister of Finance was pointing out to us that it had nothing to do with natural resources, that it was only dealing with the pipe line and as far as natural resources were concerned that was a problem for the provinces. Therefore I say before we deal with the next point, perhaps the Prime Minister and the Minister of Finance might compare notes before they make their speeches in the house.

The next point, of course, was that we adopted this policy because we had all the information that we required. We had looked the field over very well. I wonder who looked it over? The Prime Minister made the speech, but I say he had not looked all the information over; as a matter of fact, a great deal of it did not get to him.

I have heard a great deal about the problem of cost in connection with this line, and I think the Prime Minister mentioned it as well. There has been a great deal of reference to the fact that unless we get the line built this year then it is going to become too expensive. I suppose it will, sir, if the same people who have the pipe keep it and make a deal with us; they will ensure that they will sell it at a profit, there is no doubt about that. I am asking the Prime Minister if it would not have been possible to make a deal with this company to put up the money for the pipe, to have it delivered in Canada, and then ask them to come before a committee here and state their case and state it properly. If that had been done then I believe the great problem of urgency would have been removed and we would have had an opportunity of hearing all the pros and cons of this particular case.

An hon. Member: Ask your deskmate.

Mr. Hamilton (York West): Well, I heard the remark about my deskmate. As a matter of fact if anybody has taken the "Nickle" course in this house I would say I have taken it more than anyone else. I remain unconvinced, and I want to say I have never cast a vote in this house because of political expediency and I am not casting one that way in this instance. I would like to ask each of you if you have not taken the "Nickle" course, too?

An hon. Member: They have taken the "Howe" course.

Mr. Hamilton (York West): It has been said it is necessary to remove from Alberta these vast reserves of gas. A great deal of attention has been paid to the fact that we have here a plan designed to ensure there will be a certain quantity of gas removed from Alberta, but at the same time there will also be enough conserved for use in eastern Canada. We have heard it said that this is the way it is going to be divided; there is going to be 200 million cubic feet per day exported and there will be enough left over for Canada. We have been told that no other plan envisages the actual amount of gas being exported.

I wonder how naive we can get. We know that in this arrangement there is an option to ship out 400 million cubic feet a day when available, and do not tell me about it not being available and whether it will be shipped out, because we know between the time this matter was first discussed here in the house and today the available resources of gas in Alberta have increased terrifically. As a matter of fact, whereas we had 2½ trillion cubic feet of gas six or seven years ago by way of gas reserves, we now have 22 trillion cubic feet. Mark my words, this company will be shipping out 400 million cubic feet of gas per day. I say that any criticism of this particular aspect of the case as we have stated it is groundless.

In view of the question of delay and the obstruction of which we have been accused I wonder why there has not been sufficient

time for this government to bring in a better piece of legislation than it has in this particular instance. I say to the Prime Minister that I do not know who drafted this bill but it certainly leaves much to be desired and if, as he said today, this is a plan to bring gas from Alberta to Ontario he is not going to get it as a result of this piece of legislation. In addition to this we have seen the wide-open loopholes and particularly the one resulting from the fact that no time is provided for repayment in connection with the bill itself. There is no restriction whatsoever in connection with that.

In looking over this contract again I think we are going to have to depend on this government for some decision at some future time as to whether or not they are going to become involved in foreclosure, if I might use that expression, in connection with this contract which I see before me. It provides for notice of default but it leaves it wide open for this government to give any relief it wishes from forfeiture in connection with future operations. Perhaps I used the wrong term when I said "foreclosure", because it appears to be a contract under which a person could apply for relief from forfeiture. It could be that after the government had taken over this line and put it in a profitable position these people would apply to the courts to have their bonanza handed back to them.

It has been a poor brief which has been prepared in connection with this legislation. I am wondering why it has been such a poor brief. It seems to me that I might say to the Prime Minister, "I assume that the solicitor on the job was the Minister of Trade and Commerce." Perhaps this brief has been poor because he honestly does not have the time to do the job. I wonder if everyone realizes just what he is undertaking. He is Minister of Trade and Commerce and Minister of Defence Production.

An hon. Member: We know all about that.

Mr. Hamilton (York West): He looks after T.C.A.

An hon. Member: And does it well.

Mr. Deputy Speaker: The hon. member must not be interrupted while he has the floor without his consent.

Mr. Hamilton (York West): That is one of the things he might give to the Minister of Transport (Mr. Marler) so he could look after that job. If that had been done perhaps the brief which he handed today to the Prime Minister might have been a little better prepared. I wonder how the Minister of Transport feels when the T.C.A. statement comes up and he remains seated with the rest of us while the only available chair is occupied by the Minister of Trade and Commerce. Then he runs Polymer as well.

Mr. McIlraith: And runs it very well.

Mr. Hamilton (York West): He runs national research and looks after atomic energy. When we talk about wheat we are apt to think about the Minister of Agriculture (Mr. Gardiner), but no, the Minister of Trade and Commerce looks after wheat as well. When we talk about planes for export we think about the Secretary of State for External Affairs (Mr. Pearson) or the Minister of National Defence (Mr. Campney), but no, the minister looks after that as well.

An hon. Member: We have been over all this.

Mr. Hamilton (York West): Then I find also that he is looking after the manning of the D.E.W. line. The Secretary of State for External Affairs does not seem to know anything about that, and neither does the Minister of National Defence. I think the Prime Minister would perhaps obtain a better brief if we could just make clear to him that one man has been handling too many jobs for too long.

We had some rather big-time people speaking today. The Minister of Justice (Mr. Garson) was talking about the rules of the house, but I should like to read to him a little paragraph which he will probably recognize:

> We know that the full political freedom which we enjoy today has come into being only within the most recent history. During that time it has been enjoyed by about only 4 per cent of human beings. We know that its existence is heavily threatened today by powerful nations which disbelieve in it and would destroy it. We know therefore that this freedom is something which we can continue to have and to deserve only by continuously understanding it, continuously cherishing it, and continuously defending it.

You know the ink is hardly dry on that. I wonder how much the Minister of Justice is defending the British institutions of government in this country. He referred to what Right Hon. Sir John A. Macdonald had done, and pointed out also that there were certain things which he had not been able to accomplish.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. E. B. Huffman (Kent, Ont.): Mr. Speaker, the hon. member for York West (Mr. Hamilton) has just stated that he has had a "Nickle" treatment. That "Nickle" treatment must have been good when we realize the words he has used in extolling

the Minister of Trade and Commerce and telling us about what he has been able to do for this country.

The unusual interest shown by the people of my district in Bill No. 298 is an interest which goes back to the very beginning of the century. At that time a member of the Ontario legislature, who later became Senator McCoig, had a great deal to do with the gas which was discovered in southern Ontario. Senator McCoig represented the riding which I now represent from 1908 to 1922, when he was summoned to the Senate. Because of that interest which was created in my district many years ago we find today there is still a great interest in natural gas in that constituency.

A great deal has been said from time to time about press reports which have appeared throughout Canada with regard to Bill No. 298. In my constituency, which is in the heart of the natural gas district of Ontario, there is an independent newspaper, the Chatham *Daily News*, which published an editorial on Thursday, May 17, which reads as follows:

> Pipe Line Filibustering Should Arouse Suspicion
>
> In the squabble over the Trans-Canada pipe line proposal, it should not be forgotten that it was Premier Leslie Frost, who, years ago, took a lead in the proposal to bring Alberta natural gas to eastern Canada, and particularly to his own province of Ontario.
>
> From that beginning, the Trans-Canada project has gradually developed to the stage where, with a reasonable amount of support, the line is apt to be built and Alberta gas is likely to be delivered to Ontario consumers.
>
> It is at this critical stage of the project that we first find public men whose attitude, not so long ago, was one of benevolent neutrality, now vehemently assailing the project.
>
> It is at this critical stage that we begin to hear of rival promoters who are prepared—on paper or over the air—to do this and that.
>
> The suspicion will not down that the purpose of the sudden last minute flurry of political activity, the deluge of propaganda and the alluring "alternative offers" is, not to work out a better policy but to serve political ends—and to keep Alberta gas out of Ontario.
>
> In particular, the proposal the McMahon interests made, or are reported to have made, has all the earmarks of a dog-in-the-manger proposition; perhaps an attempt to delay the Trans-Canada enterprise till the McMahon interests have piped the lion's share of the gas to American markets.
>
> A significant fact is that the Conservative opposition who favour private enterprise and Canadian financing of a project which Canada is not equipped to finance, and the C.C.F. who favour public ownership financed wholly by the taxpayer, are ganging up to attack the one hope we have of bringing Alberta gas to Ontario consumers within the foreseeable future.

Mr. Deputy Speaker: Perhaps I should rise at this point. This afternoon a similar point of order was brought to my attention and I quoted citation 306 of Beauchesne's second edition. I have listened to the hon. member for Kent (Ont.) very carefully, because in my view the true test of the meaning of citation 306 is whether the statement which is being made in the house, in this case an editorial which is being read, reflects upon something which an hon. member has said in the house or reflects upon some proceeding in the house. Up to the time I rose I do not think the editorial offended, but I am afraid that it began to offend in that moment, applying the test that I applied this afternoon. I therefore felt that I should rise at this time.

Mr. Huffman: Mr. Speaker, just one last paragraph, if I may.

An hon. Member: No.

Mr. Deputy Speaker: Order. These points seem to rise each day. Yesterday I think one of the hon. members to my right attempted to stop the hon. member for Lambton West (Mr. Murphy) from reading certain editorials. This afternoon the exchange went the opposite way across the chamber, but I feel I have stated the proper test and I would ask the hon. member to co-operate.

Mr. Huffman: I was looking through *Hansard* and I noted that the hon. member for Prince Albert (Mr. Diefenbaker), on page 4043, had quoted rather extensively from the Toronto *Daily Star*. So I was taking my cue from that quotation. Nevertheless there is a great deal to say in regard to Bill No. 298. I note that in my district the whole theme is that a party advantage is less important at this juncture than the national advantage to Canada.

I would just like to commend the action of the Liberal opposition in the province of Ontario who, when the government of the province of Ontario brought forth their bill to provide $35 million to assist with the northern Ontario leg of this pipe line, supported the government. They were very anxious to see this part of the pipe line built so the advantages of bringing Alberta gas to Ontario would accrue to the people living in the province of Ontario. That is what I would commend to the parties opposing this bill in this house.

I would say this as well, that you will find that the policy of Liberals, whether in the province of Ontario, in the province of Manitoba or in this house, is a national policy, and it redounds to the credit of Canadians everywhere when their policy is brought forward.

Yesterday afternoon my hon. friend from Lambton West made a few remarks in this house, and today he made a slight correction in what he had stated, but I was a little concerned about some of the rest of the remarks

that were made because there might be some misapprehension as to the meaning of some of the words in his speech. May I refer to page 4126 of *Hansard*, where he says:

> In the meantime, we may be able to develop enough gas for ourselves. I think we will get the most out of it by finding markets close to home, and I hope we shall find a considerable flow of gas in southern Ontario.

I was speaking to the head of the Union Gas Company last night, and they have assured me that they will accept every bit of gas that is found in southern Ontario, and the price our producers will receive in that part of Canada is seven times greater at the wellhead than is received by the producers of gas in Alberta. Because they are receiving that amount and because the Union Gas Company will take every bit that they produce, our people should have no fear as to the disposition of the gas they produce.

Then again, on the following page, page 4127, the hon. member had this to say:

> I cannot see where these storage fields are going to be of any use because, after all is said and done, if this gas comes through to western Ontario through the Hamilton gate, in order to serve the most useful purpose it would have to go back there again.

Again, the president of the Union Gas Company assures me that the storage fields which are located in the riding of my colleague from Lambton West will be used very extensively by the Union Gas Company. Another feature is that the hon. member for Lambton West has said that we should not consider the load factor. The load factor is a very important feature in this contract.

Mr. Murphy (Lambton West): I said we should consider the load factor.

Mr. Huffman: In this instance the load factor has a very important bearing, because the Union Gas Company has one of the best contracts that has been signed to date. I am very proud to state here tonight that the Union Gas Company was the first company to sign a contract with Trans-Canada for 300 billion cubic feet to be delivered over the next 25 years. Further, to indicate the importance of this contract, they would like to have it revised upward because there is a greater need for gas than they had expected when the contracts were signed. I think it is self-evident why we should proceed as quickly as possible with this pipe line, and I am proud to be associated with this government which is doing everything it can to bring Alberta gas to Ontario and supply the needs of the industries and the needs of homes in Ontario and eastern Canada.

In addition, I have learned from the heating and related industries in my district that they are today producing the highest amount of heating equipment in their history, and I contend that anything we were to do to delay this bill would provide a vacuum in our industries connected with heating and in the related industries. For that reason we must go forward with this bill, and I am certain there is no question about its outcome.

In addition, the Union Gas Company has an extension program of $25 million to service the areas from London, as my hon. friend from Lambton West said last night, to the Hamilton and Toronto areas. The only reason they cannot go forward with it at this time is that there is no assured supply of gas. Just as soon as the gas line has been indicated, the Union Gas Company will go forward with their plans.

This is just a small part of the whole feature the Minister of Finance related to us yesterday when he said this pipe line and all that is related to it will create an expenditure of somewhere about a billion dollars in the next five years. Surely this is something we should consider favourably, because it means jobs for Canadians. It is a Canadian resource, coming through a Canadian pipe line over an all-Canadian route under Canadian control, and it will help to provide a better future for all it serves and the country in which we live.

Mr. Murphy (Lambton West): Mr. Speaker, I did not rise when the hon. member was speaking because I understand that when I wish to rise on a point of order it must be done after the speaker has concluded his address. I wonder if the hon. member for Kent inquired from the president of the Union Gas Company what price they were going to pay Trans-Canada for the gas. Did he not say 39 cents to the distributor as to the Union Gas Company, as against 35 cents they are now paying on the gas they are now buying? Also, since you brought my name into the question—

Some hon. Members: Order.

Mr. Deputy Speaker: I am sorry, but I do not think what the hon. member is raising is a point of order or a question of privilege. In a fixed termination debate a few days ago I recall that I stopped an hon. member from asking a question at this time because I think it is fairer to allow each member his full allotted time.

Mr. Murphy (Lambton West): The reason I rose was that the hon. member was commenting on what I said in my speech yesterday relative to the—

Mr. Deputy Speaker: Order. I think perhaps the hon. member has had an opportunity already to clear up any misapprehensions he may have on that score.

Mr. Murphy (Lambton West): Then I have another score with respect to which I should like to rise on a point of order. I referred yesterday to the non-use of the storage facilities in the county of Lambton, and I am wondering whether the president of the Union Gas Company said they were going to use that storage and if he knows the Minister of Trade and Commerce has indicated the storage in Lambton would not be used.

Mr. Deputy Speaker: Order. I am afraid that is a matter of debate and not a question of privilege. The hon. member for Kootenay West.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I listened, as I am sure the whole house did, with great interest and some surprise to the unusual vehemence with which the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) expounded his medieval ideas. I should like to say that if he had fought as hard throughout the years for the people of Moose Jaw as he has fought the C.C.F. since he deserted it, the C.C.F. that elected him, I am sure he would have been a more effective member. I am also confident that the members of the government will not thank the hon. member for Moose Jaw-Lake Centre for criticizing crown corporations, because there is a provision in the back of this legislation for crown corporations should the first efforts fail. I think, Mr. Speaker, that the answer to the wild statements made by the hon. member for Moose Jaw-Lake Centre—

An hon. Member: He was right.

Mr. Herridge: —is simply this, that the majority of the people of Saskatchewan do not agree with him and on June 20 next that fact will be reconfirmed.

Having disposed of the hon. member for Moose Jaw-Lake Centre, Mr. Speaker, I now proceed to my argument. I rise to support the subamendment moved by the hon. member for Rosetown-Biggar, which suggests that this legislation should go to the committee on railways, canals and telegraph lines and that consideration should be given to the question of public ownership of this pipe line. I think, Mr. Speaker, that practically all the meat and gristle have been gnawed off this pipe-line bone, and I shall have to content myself with sucking at the marrow. Some marrow! I must say, though, regardless of the strong opposition of this group to the bill and the method it proposes for the building of the pipe line, that no member of this group questions the integrity, loyalty or capacity of the Minister of Trade and Commerce to get things done. I think it is only fair to say before proceeding with my criticisms that his days in public life are strewn with many accomplishments to the advantage of the Canadian people.

Some hon. Members: Hear, hear.

Mr. Herridge: Having said that, I must change the direction of my remarks.

An hon. Member: Keep on. You are doing great.

Mr. Herridge: In my opinion the failure of Trans-Canada Pipe Lines to live up to its definite and specific promises has caused the government considerable internal embarrassment and during recent days much external embarrassment, and has caused them to present this most unpalatable legislative nostrum to the house at this time. I have read the speech of the Minister of Finance yesterday carefully, and having watched his manner of delivery and his expression it would indicate to me that the government had not taken the plunge into the ice cold water of nation-wide criticism until after a lot of consideration, and with some hesitation and I believe even some doubts at the present time as to the course they are pursuing.

We oppose the bill, Mr. Speaker, because we believe the public interest would be best served by public ownership of the pipe line as a national transportation utility. Since this question was first mooted in the house some five or six years ago C.C.F. conventions, the C.C.F. national council and C.C.F. members of the house have consistently urged three things in particular in connection with this type of legislation. The first was the public ownership of a trans-Canada pipe line. The second was an all-Canadian route, and the third was the assured protection of Canadian consumers' interests and their future needs. All that is provided by the present pipe-line legislation is an all-Canadian route.

The record of *Hansard*, the record of the committee on railways, canals and telegraph lines, the debates in the house on various bills and legislation and votes taken on various amendments all indicate the consistent advocacy by this group of the three things I have mentioned. I want to compare that consistent approach throughout the years with the record of Trans-Canada Pipe Lines, and I should like to quote now from the minutes of proceedings and evidence of the committee on railways, canals and telegraph lines for March 6, 1951, at page 10. This is what I read in the evidence:

The second consideration was that it should be an all-Canadian project, that it would be

Canadian gas transported over a Canadian line, and that 100 per cent of the consumption would be in Canadian cities.

Who made that statement? That statement was made by Mr. Frank A. Schultz, vice-president of the parent company. Other expert witnesses testified before the committee that the pipe line could be constructed on this basis, and it was on this basis that parliament finally gave the bill third reading on March 9, 1951.

To indicate how assured the government was in this matter and the government's confidence in the sponsors, on February 27, 1951, as recorded at page 735 of *Hansard*, the hon. member for Vegreville (Mr. Decore) said:

All consumers will be in Canada. No gas will be exported out of Canada.

At that time, Mr. Speaker, no mention was made by the company that it would need financial assistance from the government. No mention was made of the necessity to export gas to the United States in order to make the operation sound. In the bill now before us the government is presenting an entirely different proposal.

What does it mean to Canada? I think this is a most important piece of legislation. I think there is some indication of what it means to Canada in the attitude and efforts of the opposition on this side of the house to prevent the legislation being passed. Another indication is the comments of editors all across the country. We must remember that these Liberal, Conservative and independent editors of these newspapers are close to the people, and when they write editorials they have their ears to the ground. In many cases they are writing what they think is the opinion of the people of the district in which their papers are published. We find, as I said, that Liberal, Conservative and independent newspapers across the country are criticizing this proposal in no uncertain terms.

I want to refer at this point to some remarks made yesterday by the Minister of Finance. I am glad to see that he is listening. He is a good listener. He held out as another bait the enormous amount of taxation the exchequer would receive. He said that 45 per cent to 50 per cent of the total profits would accrue to the treasury of this country, and he indicated that it would be a very large sum because he hinted it would be possible to do very big things with the money. We in this group believe that when the people provide the risk capital they should get all the profits, and not 45 or 50 per cent of them.

As I said before, Mr. Speaker, we maintain that public ownership of the pipe line is to the great advantage of all Canadians, and on this foundation the C.C.F. rests its case in this debate. However, in this connection it is interesting to note that the accounting firm of Clarkson, Gordon and Company of Toronto, appointed by the Ontario government to look into the economics of the whole gas pipe line, declared in their report:

An all government owned pipe line would be economically feasible, even though no sales were made to the United States.

We are not saying that, but that is a prominent economist who says it after making a survey of this pipe line.

What are the advantages of public ownership of this pipe line? From our point of view they are these: The government can raise money cheaper than private enterprise. This was indicated again this afternoon when the Prime Minister was speaking. Second, no income or sales taxes need apply. Third, the government can amortize the scheme for this pipe line over a period of 40 years, whereas under private ownership it is usual to amortize a scheme of this sort over 20 years. Fourth, the annual carrying charges on a publicly-owned line are estimated by economists as from 6 per cent to 7 per cent, whereas on a privately-owned line they are from 13 per cent to 14 per cent. I suggest that the consumers of gas will pay for that difference. The last and very particular reason that there is advantage in public ownership is that the protection of Canadian consumers' interests is guaranteed, for the present and in the future.

In that connection, Mr. Speaker, I want to refer particularly to some remarks made by the hon. member for Peace River (Mr. Low). You will remember that he said that the producers in Alberta, that is the United States corporations, are opposed to public ownership of this pipe line. He indicated in general terms that the reason was that there are far more consumers of gas in Canada than there are producers of gas, and therefore a government-owned pipe line would naturally have to give consideration to the larger number, that is the Canadian consumers. They would have to consider the people first before the interests of the corporation. I think, Mr. Speaker, that is an excellent argument in favour of public ownership.

I want to make a few more references, but I find it very difficult to condense a speech. I have been sitting here for the last two or three days with a 30 or 40-minute speech prepared and I have to kiln dry it, as they say in the lumber industry. I want to refer to some remarks made by the hon. member for Calgary South. He said he deeply regretted that some had chosen to

inject various elements of emotionalism. I find that the dictionary definition of emotion is feeling, passion, mental agitation or sentiment. I trust that the Canadian people will never lose emotion, sentiment or feeling. You do not find those things in corporations, you find them in human beings.

Canadian history is replete with examples of Canadians being stirred to action to defend the national interest by emotions, by sentiment and by feeling for this country. In the war of 1812, which I consider as the watershed of our national history, the French Canadians of this country fought valiantly to defend it, and why? Because they had a feeling for Canada. The first shot of the civil war in the United States was fired on April 12, 1861. This first shot created the national emotion, sentiment and feeling that finally brought about confederation in Canada in 1867. In world wars I and II the same emotion, the same sentiment, the same feeling for Canada that the hon. member regrets caused hundreds of thousands of men in this country to volunteer their services in its defence.

In that connection I want to quote briefly from Bruce Hutchison's book "Struggle for the Border", page 489. He said:

> A vague but undeniable force called "Canadianism" for lack of a better word, bestrides the upper slope of America. Inarticulate, puzzled, amorphous, incalculable in its outcome, with no visible limits to its future.

Then on page 488 he says:

> If the twentieth century does not belong to Canada, or indeed to any state or group of states, Canada clearly belongs to Canadians.

We in this group support that sentiment, that feeling and that emotion. Nations are not built in the brokerage shops and counting houses of the oil and gas businesses. They are built in the hearts of the Canadian people whose emotions, feelings and sentiments call us to rise in defence of this country when the occasion requires.

Now, Mr. Speaker, what are our financial resources? Some may say it is not possible for the government to undertake this project. I find on reference to the Bank of Canada statistical summary that in December, 1955, we had $10,848 million in bank deposits by federal and provincial governments, corporations or individuals. Surely we know what Canadians are like. We have the human and we have the financial resources to build this pipe line at this time. We therefore urge the minister to allow this bill to go to a committee. This afternoon a bill was allowed to go to a committee to consider only a change in name, but this important matter is not going to be considered by a committee if the minister can avoid it. The minister should sponsor public ownership and this bill should be sent to the committee.

We in this group suggest this project should be financed by an issue of national development bonds in denominations which would make it possible for all Canadians to participate in public investment to their mutual advantage. Special issues could be floated for the trans-Canada pipe line, Mica creek, the South Saskatchewan dam and power development in the maritimes. We are confident the response to such an appeal would confirm the desire of Canadians for the public ownership of these projects by Canadians. With a hard-working and progressive population, and nearly $11,000 million on deposit in our banks, it is evident we have the human and financial resources to undertake this project satisfactorily. All that is required is the will and the leadership of this government.

This minister who has a great record in war and peace—we give him credit for that—this minister who has developed Trans-Canada Air Lines and the Polymer Corporation and who last year greatly assisted in protecting Canadian rights in international rivers, should send this bill to a committee and sponsor the public ownership of this pipe line as the commencement of a public investment program in this country to meet Canadian needs. I am sure this would receive the support of the majority of Canadians. Let Canadians be partners from sea to sea in building this great nation.

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I wish first to deal with something the hon. member for Prince Albert had to say about me when he participated in this debate last Thursday. At page 4032 of *Hansard* for May 17, 1956, the hon. member referred to three cabinet ministers by saying that they have one kind of speech in parliament and when they go down to the province of Quebec they change their attitude as they campaign in provincial elections. The hon. member then mentioned the Minister of Veterans Affairs (Mr. Lapointe), the Minister of Transport (Mr. Marler) and myself.

I wish to say first of all, sir, that I have not dealt with this question in the house yet in this debate, and second that I have made only two political speeches in the present campaign in Quebec. I have discussed neither foreign investment in Canada nor control over natural resources. My colleagues the Minister of Veterans Affairs and the Minister of Transport have assured me that they have not dealt with these questions. It is true

that the Liberal leader in Quebec, Mr. Lapalme, has criticized the government of the Union Nationale for its policy on the use and control of the natural resources, especially iron ore; but Mr. Lapalme has said publicly also that he favours foreign investment in Canada for the development of the natural resources of Canada and of Quebec in particular. As a matter of fact, when I myself heard the Quebec Liberal leader criticize the administration of the Union Nationale with regard to the exploitation of Ungava iron ore, he gave as an example of the policy he thought Quebec should follow the policy that has been followed in Alberta in the management of the oil and gas resources of that province.

It is clear, sir—it seems clear to me—that the hon. member for Prince Albert, along with other opposition members, and I could mention the hon. member for Kamloops (Mr. Fulton), this afternoon, and the hon. member for York West (Mr. Hamilton) tonight, are doing their best to try to blur and confuse the issue which is before this house. There is a clear distinction between foreign investment on the one hand, and on the other hand the use of and control over natural resources in Canada. The fact that a majority of the stock of a Canadian company is held by foreign interests does not transfer to that company the control over the natural resources which it exploits.

In dealing shortly with the question of financial ownership and control, I wish first to refer to the comparison which has been made with the manner in which things were handled in the good old days when the Canadian Pacific Railway was built. I have not been able to find any figures for 1881, the year in which the Canadian Pacific Railway was founded. In 1883, however, 290,000 shares out of a total of 550,000, which means more than half, were held in New York state. It was only somewhat later than this that the large volume of British capital entered the picture.

I could not secure the figures for 1885, the year when the railway was completed. I can, however, give the proportion of voting stock which was held in various countries in 1915. In 1915 Canada held 13·6 per cent; the United Kingdom and other commonwealth countries held 62·9 per cent, and the United States held 10·4 per cent. Other countries held 14·1 per cent.

In 1936 Canada's holding of the voting stock had fallen to 11·4 per cent; the United Kingdom and other commonwealth countries had risen to 65·6 per cent; and the United States holding to 17·6 per cent, leaving 6·4 per cent in the hands of other countries.

From then on there was a strong shift in the holdings as between the United Kingdom and the United States, but Canada's position changed only slightly. In December, 1954, that is a year and a half ago, residents of Canada held 12·2 per cent; residents of the United Kingdom and other British countries held 46·3 per cent; residents of the United States held 34·4 per cent, and other countries held 8·1 per cent. Never, therefore, as far as I can ascertain, have Canadians held more than about one-eighth of the voting stock of the Canadian Pacific Railway.

I would ask hon. members to compare this situation with the agreement that Trans-Canada has made to offer 51 per cent of its common shares in Canada, and that it intends to effect a wide distribution of those shares throughout Canada. Any amount of sneering at this agreement as a "shallow pretence" does not take away from the fact that it has been made, as the Minister of Trade and Commerce has said, as a solemn covenant.

What other steps did Sir John A. Macdonald take to see that control of the Canadian Pacific Railway remained in Canada? The only other step was a provision in the railway's articles of incorporation that a majority of the board of directors should be British subjects. There was, of course, no such thing as Canadian citizenship in those days. However, a provision could have been inserted that the majority of the directors should be British subjects residing in Canada; but no such provision was in fact inserted. If we look at the original board of 1881, we find that it consisted of the following people: George Stephen and Duncan McIntyre, president and vice president, both of whom were Canadians; R. B. Angus, a Scotsman who was living in St. Paul, Minnesota when he was appointed but who spent much of his life in Canada; J. J. Hill, Canadian-born, who spent most of his business career in the United States and who was living in St. Paul when appointed; J. S. Kennedy, of New York; Baron J. de Reinach, of Paris; H. S. Northcote, of London, of the Hudson's Bay Company; P. duP. Grenfell, of London; and Sir John Rose, who had been minister of finance in Canada but had returned to London. However, sir, the point I wish to make is that under the law there was nothing at all to prevent all the directors of the Canadian Pacific Railway from being British subjects living in London, who had never set foot in Canada.

How does this situation compare with the requirements in respect of Trans-Canada Pipe Lines? As hon. members know, Trans-Canada Pipe Lines was incorporated by special act

of parliament under the Canadian Companies Act. The learned lawyers who sit in front of me now seem to have forgotten section 155 of the Companies Act, which applies to Trans-Canada Pipe Lines, and I wish to quote it to hon. members:

> No person shall be elected as a director unless he is a shareholder owning shares absolutely in his own right, and not in arrear in respect of any call thereon; and the majority of the directors of the company so chosen shall, at all times, be persons resident in Canada, and subjects of Her Majesty, by birth or naturalization.

Far more effective steps, therefore, are taken in the case of Trans-Canada Pipe Lines to ensure that Canadians have a share in the management of the company than was ever done in the case of the Canadian Pacific Railway.

Oh, I know, of course, that some of my hon. friends like to maintain that the fact that it was British capital rather than United States capital which built the Canadian Pacific Railway made a great deal of difference. I agree that it might have made a lot of difference, but I am not sure it is in the way they suggest. The hon. member for Rosetown-Biggar, in reply to a question by the Minister of Justice, agreed that the bulk of investment in the Canadian Pacific Railway came from the United Kingdom, but he pointed out that Canada at that time was a dominion within the British commonwealth. He further pointed out that Canada is not now a dominion, nor is it a nation within the North American union of the United States, which is all correct. He implied that it was quite harmless for Canadian resources to be developed by British interests in our colonial days, but that it would be disastrous today for our resources to be developed by United States capital.

To me, sir, it seems that the hon. gentleman's argument should be turned around. It is, as you say, topsy-turvy. In the days when Canada was to a substantial degree under the control of Great Britain, the development of Canadian resources by British interests could entail the risk of both economic and political dependence. But today Canada is an independent nation, and we certainly can accept the foreign capital that we need for the development of our resources without endangering our independence or our sovereignty, just as the United States did 100 years ago.

This brings me to the final point I wish to make. I cannot understand how people can claim that the development of Canadian resources by Canadian companies when financed for the majority of their stock in the United States can represent United States control over Canadian resources. There is a difference between foreign investment and control over resources. In the first place, a Canadian company engaged in developing natural resources in Canada will tend to act in certain ways under certain circumstances, and will act in that fashion irrespective of whether or not the ownership of the company is in the majority Canadian or American. Moreover, natural resources which are developed by private companies are not in any real sense of the word controlled by those companies. The development of these resources is controlled by the whole complex of laws which have been passed by the federal and provincial governments of Canada.

Precisely what this complex of laws comprises depends upon the subject in question but what I have in mind is, for instance, the Companies Act, tax legislation, anti-combine legislation, labour legislation, tariff legislation and specific legislation referring to the development of the natural resource in question,

Surely, sir, Canada's governments, federal and provincial, have reached the stage of development where they can see to it that foreign investment does not develop our natural resources in a manner which is harmful to Canada's interests, and it is to ensure that Alberta natural gas will be used and developed in the interests of Canada first that we are now studying this legislation.

Surely, sir, we have now reached the point in our political development where we can accept all the assistance in developing our natural resources which may be offered by foreign capital, and yet manage without any difficulty whatsoever to keep control of these resources in our own hands.

Mr. Regier: That is wishful thinking.

Mr. Lesage: That is not wishful thinking; it is a fact that we can do that because although Canada has not yet reached the point of economic maturity where she can create sufficient capital to develop her own resources at the optimum rate—

Mr. Fleming: Why should she supply capital to these people, then?

Mr. Lesage: —Canada has reached the stage of political maturity where she can accept this foreign aid and still prevent any danger whatsoever of foreign economic or political domination.

Mr. Leon Balcer (Three Rivers): Mr. Speaker, a few of the speakers on the government side have said during the present debate that the western provinces and Ontario and Quebec are anxiously waiting for Trans-Canada to start its work on the pipe line as soon as possible. For my part, Mr. Speaker,

I have not heard a single person in my province make such a declaration, nor have I read a single newspaper published in the province of Quebec which carried that impression either in its editorials or in any articles.

There is no doubt that a new fuel would be welcome in Quebec, particularly in the Montreal area, but there is no vast urgency about this. I can tell you that after waiting for five years the people in the Montreal area as well as the rest of Canada can wait a few more days to make sure this legislation is studied properly. Also, as far as Quebec is concerned, let us not forget that Quebec has enough potential hydroelectric power to look after its future needs for many years to come, because that province is one of the greatest regions for electricity in the whole world.

The people of Quebec, like all other good Canadians, are interested in the development of the natural resources of this country because they know that prosperity in any corner of our country means prosperity for all. They know this is a good thing for our country.

The Minister of Northern Affairs and National Resources (Mr. Lesage) tonight told us something which any child knows, that we need capital to develop this country. Nobody argues against that, but what we argue against is that the capital to develop our natural resources should not be subsidized by the Canadian taxpayer, and an even break should be given to Canadian financiers as well as to American financiers. By the same token, the people of Quebec are not interested in the development of our natural resources for the greatest advantage of some American businessmen with the Canadian taxpayer footing all the bills, as is the case in the present bill we are studying tonight.

The people of my riding cannot understand why each taxpayer in Canada will have to pay $30 to help a company which is controlled to the extent of 83 per cent by United States capital. They will have to pay $30 each for a company whose main interest is supplying Chicago, Cleveland and other United States cities with Canadian gas at a cheaper rate than it will be supplied to consumers in Montreal and Toronto.

The Canadian taxpayer will not only pay for that part of the line from the Manitoba border to Kapuskasing; oh, no, the company does not stop there. They think the public of Canada are not generous enough, and now they want to force this house through the action of the government to lend them $80 million to construct the western part of this line which is the easiest part. This fantastic scheme is being forced upon this house by the government, the same government which sends its cabinet ministers and members to help Mr. Lapalme in Quebec.

Some hon. Members: Oh, oh.

An hon. Member: We are not.

Mr. Speaker: Order.

Mr. Balcer: Of course I do not blame them, because the Liberal leader in the province of Quebec in every speech attacks the provincial government for its handling of our iron ore. On the other hand you have the Prime Minister of Canada, the leader of the Liberal party in Ottawa, who makes a speech here in the House of Commons to approve 100 per cent of the actions of Mr. Duplessis in this iron ore development. It is small wonder you do not dare say a word about our iron ore in the province of Quebec.

An hon. Member: I do.

Mr. Fleming: Who are you?

Mr. Balcer: The Minister of Northern Affairs and National Resources says that Mr. Lapalme would like the iron ore of Quebec to be administered in the same way as the oil and natural gas in Alberta. They are two absolutely different things. Also, what the Minister of Northern Affairs and National Resources has not said is that Mr. Lapalme did not only say that the provincial government could administer the iron ore like they administer gas in Alberta. He said that the iron ore in Quebec should be nationalized, just the same as Mossadegh did in Iran.

An hon. Member: He never said that.

Mr. Balcer: These same members of the cabinet and federal Liberal members go down to Quebec to support this man. These same people are the tools of this United States-controlled company which wants to use close to $200 million of the taxpayers' money under the pretext of developing one of our natural resources.

We often read of a system called "lobbyism" which is used in the United States, and we hear of its abuses. In the United States big industrialists and large associations maintain agents in Washington close to the executive and the legislators to look after their respective interests and to make sure they are in an advantageous position as far as the representatives and senators are concerned.

The present legislation is an example of lobbyism at probably its strongest. A small group of United States businessmen come here to obtain a charter under false pretences, or at least under false promises. We all know that before the committee these Texas millionaires practically ridiculed the hon. members who were questioning the possibility of

their being able to finance this scheme. They contended that there was not a single doubt.

What they have succeeded in forcing the government to do in this last month is certainly the masterpiece of lobbyism of all times. Not only has the government forgiven them for having come and made false promises to the committee; the government has decided to make Trans-Canada Pipe Lines its adopted child and is ready to stop at absolutely nothing to make sure that this company, controlled 83 per cent by United States financiers, gets special treatment such as is unknown in the history of this country.

To these people who said to the committee that they did not need public money to build their pipe line, the government first decided to build for them the most difficult part of the whole line with a cool $80 million of the taxpayers' money. You would have thought that with that these financiers would have been satisfied, but no, sir, the government again went out of its way to make sure that this group of Americans could really live off the fat of the taxpayers' money. They decided to lend them 90 per cent of the cost of the western part of the line, which amounts to approximately another $80 million of good Canadian taxpayers' money.

In the meantime the government did everything it could to discourage Canadian financiers from trying to bid for the same project. You would have thought that with this favoured treatment that company would have kept quiet and would have been willing to wait for the representatives of the people of Canada to study at length such an expensive, awkward and unusual bit of financing; but no, again with the complicity of the government, they decided to pull a fast one. They got from the government the promise that the minister would stop at nothing to get all the legislation through by the date chosen by these lobbyists, who set June 7 as the time most suitable to them. These people must be really big operators to scare the government of a democracy into doing that type of railroading.

It is most interesting to compare these actions of the government with the attitude taken by Liberal federal members in the provincial campaign. Just a few days ago the Secretary of State (Mr. Pinard) was making a speech at a banquet held in the Windsor Hotel in support of the leader, Mr. Lapalme. The Secretary of State was making a grand oration on responsible government and the great fights of Papineau, Lafontaine, Mackenzie and the others. He was so taken up with his subject that he even said the Liberal party in Canada has a mission to accomplish for democracy and responsible government.

This type of guillotine that we see today is the democratic mission of the Liberal party. I am not surprised that they all sit in silence while the rights of parliament are being smashed in this way. I would be very much surprised if the real heroes of the democratic form of government of the people, by the people and for the people would have approved of a cabinet minister who walked into the chamber with a resolution and during his opening remarks, before any other representative of the people had had a chance to voice a word of opposition, announced that closure would be applied. He got the applause of all so-called Liberals who are not afraid to deny parliament the right to express the will of the people just to please some United States friends of the regime.

I do not think it can be called democracy when the length of discussion in the House of Commons is set by a contract for pipe between one United States company and another which is 83 per cent controlled by United States capital. It is a humiliating situation for the Canadian parliament, and at the same time I think it is unfair to the people of Canada who will have to pay $30 each for this scheme which is being proceeded with in such a strange fashion.

The government refuses to apply to this bill the procedure which it has applied to similar bills, that is to send it to the standing committee on railways, canals and telegraph lines. A few years ago when the question of old age pensions was being discussed in this house many Canadian citizens were waiting just as anxiously for their money as are these financiers at the present time. It was just as important to a lot of our old age pensioners to get a necessary increase in their pensions, but the government took time to send that legislation to a select committee of both houses before making any decision.

Mr. Lesage: Not the legislation; the subject matter.

Mr. Dufresne: That is not brilliant.

Mr. Balcer: Why not follow the same sensible and democratic way of handling the taxpayers' money at this time? Let not the House of Commons and the parliament of Canada be run by a contract for pipe between two United States companies.

If the people of Canada have waited five years to get natural gas I am sure they will be ready to wait the time necessary to permit a committee to study such important legislation. After all, this legislation involves the spending and the lending of huge amounts of the people's money, and I see no reason why the promoters of such an

ambitious scheme should not be submitted to the same rules as any Canadian citizen.

Has the government something to hide? Has this company something to hide? It is rather hard to come to a favourable conclusion when we see the stubbornness of the cabinet in connection with this matter and the undemocratic fashion in which this bill is being forced upon the people of Canada. I intend to vote for the amendment because in doing so I am convinced that I shall be doing exactly what my electors sent me here to do, that is to look after their interests and make sure that their money is spent wisely for the welfare, not only of a small group of friends of the government but of the whole of Canada.

Mr. Gauthier (Portneuf): Am I allowed to ask a question of the hon. member for Three Rivers?

Some hon. Members: No. We were refused an opportunity to ask Liberals questions in this debate. You gagged yourselves.

Mr. Gauthier (Portneuf): Steam it out. Are you through? I am asking, Mr. Speaker, whether I am allowed to ask a question of the hon. member for Three Rivers. If I am not allowed, I shall not ask it.

Mr. Rowe: Not under closure.

Mr. Fulton: Mr. Speaker, on a point of order.

Some hon. Members: Sit down.

Mr. Speaker: If the hon. member for Three Rivers accedes to the request of the hon. member for Portneuf, the hon. member for Portneuf might ask a question, but the hon. member for Portneuf indicates that perhaps he may have many questions.

Mr. Gauthier (Portneuf): I was disturbed by my friends over there.

Mr. Murphy (Lambton West): Mr. Speaker, before you came into the chair a few moments ago I rose on a point of order during the speech of the hon. member for Kent (Ont.) to ask a question, and I was not permitted to ask it.

Mr. Speaker: I do not want to spend the time of the house, but I take it that—

Mr. Murphy (Lambton West): The hon. member for Kent (Ont.) referred to a speech I made yesterday. I rose on a point of order to ask a couple of questions.

An hon. Member: That was yesterday.

Mr. Murphy (Lambton West): The speaker who has just preceded—

Mr. Fleming: A limited debate. The Deputy Speaker took the point that questions would not be permitted because we were under limited time rules. He did not allow the question to be asked.

Mr. Speaker: It seems to me that the point that is being raised is somewhat trivial, because the hon. member for Three Rivers certainly knows that we are under a time limit at the moment. When he is asked if he may be asked a question, all he has to do is say yes or no. In the circumstances I do not want to create any difficulties, and I would ask the hon. member for Portneuf—

Mr. Gauthier (Portneuf): It is very short.

Mr. Speaker: I know, but I would ask him to co-operate with me. To avoid any complaint I would ask him to desist from asking his question.

Mr. Ambrose Holowach (Edmonton East): I am very glad to have the opportunity of taking part in this discussion and expressing several convictions with respect to the subject before us. May I begin by saying that I have listened intently to the various speeches that have been made by those members who have participated in this debate. Whilst I do not question the sincerity of their views, which are different from my own, it has been for me a most dismal disappointment to find so little substance in the arguments that have been used against this proposition, a proposition which should mean the undertaking of one of the great engineering feats of our time, with immeasurable benefits to all Canada, namely the building of the trans-Canada pipe line from my native province of Alberta to the eastern provinces.

Sir, I respect every person's opinion provided it is honest and based on fact, but with the exception of creating a great deal of apprehension and doubt in the minds of the Canadian people, with the exception of giving a black eye to a vital industry, with the exception of doing great disservice to outside investors who have come to our country and made sizeable investments generously and in good faith, neither the C.C.F. nor the Conservatives have suggested one single alternative that is acceptable to this house and that would ensure the building of a natural gas pipe line to be completed by the end of this year. That is the real issue before us at this time. To continue stalling is to do irreparable harm to the economy of my province and foul up this project beyond any hope of repair.

I can appreciate the position of the C.C.F. in this debate. As usual they are taking the stand of advocating their pet doctrine of state ownership, state control and state monopoly—"the state is boss"—but for the Conservative members, members of that once

great, proud and independent party which professes to be the champion of private enterprise, to be outmanoeuvred and led into the camp of the C.C.F., from which they are imposing further impediments in the way of private enterprise, is, to say the least shockingly sad. Surely they must understand that what they are doing is destroying little by little the last potential for private enterprise to undertake this pipe line and make it a success.

With each of the Social Credit members, my colleagues, I share a deep feeling of responsibility in taking part in this debate and expressing views on a matter which is as crucial to Alberta's and Canada's welfare as this issue before us. It is with such a sense of responsibility that we have placed politics aside and appraised this question strictly on its merits.

When one considers the fundamental point there is only one thing that can be done. There is no other course but to accept or reject this proposition. To deny this proposition at this time is to make certain that no pipe line will be built in the foreseeable future, for no other company than Trans-Canada Pipe Lines has spent $8 million or so of its capital in preparatory work, in surveying and acquiring rights of way. No company but Trans-Canada has, ordered and ready, the 34-inch diameter pipe required for the western portion of this line. No other company is prepared to call for tenders in order that machines and men can proceed with the job as quickly as possible.

An hon. Member: No other company is allowed to.

An hon. Member: Don't be silly.

Mr. Holowach: Further, no other organization has the present management, men who are familiar with the gas and oil business, headed by one who has for 17 years demonstrated his ability in that field and his concern for the public welfare. More important than all these, there is enough power vested in the provincial field with the government of Alberta and in the federal field with the federal government to make sure that the public welfare is at all times safeguarded.

These are some of the reasons we are voting for this bill. There are other reasons as well. My leader gave an indication of how urgent it is to undertake this pipe line at this time. We have waited for a long time to find a market for our great resource in the province of Alberta, and it is about time the politicians in the house got out of the way and allowed this line to be built. I think they have had plenty of time to play with the prosperity of the people in our province.

May I say further that there seems to be a lack of understanding of how great an urgency there is. Let me point out to this house that over 90 per cent of the gas and oil reserves of this country are in the province of Alberta. In addition to that, we have the Athabaska tar sands, which have billions of barrels of oil. Oil and gas are interlocked, and these industries are interdependent.

We cannot wait indefinitely. It represents monetary waste involving millions of dollars that would otherwise be flowing into our treasury in order to provide our people with the services they need. We cannot be indifferent to the situation. Let me tell those who are stalling this proposal that we in Alberta look very seriously on their attitude. Can we help it? We have billions of tons of coal for which there is no market, and with nuclear science and research devising new forms of energy it may well be that unless we move our surplus gas it will become as obsolete as our coal.

I am sorry to say that the C.C.F. and the Conservatives have ridden roughshod over some of these compelling facts. Now, they are speaking about a loan being made. So what? What is wrong with that? Is there any government in Canada that does not have some scheme by which it induces industrial development within a province?

Let us remember that Canada financed its share of the war to the tune of $20 billion. We made a gift of $2 billion to Great Britain alone. We did that voluntarily, and it was considered in the national interest. Since the termination of the war over $4 billion has been spent in building up the economies of south Asian countries. Is it wrong for us to invest our money in order to sustain our economy, that economy which is pulling the full load?

Mr. Ellis: Let us do it ourselves, then.

Mr. Holowach: Certainly not. The idea has been created that it would involve some sort of subsidy. I would suggest that my hon. friends read the agreement. Believe me, if anybody will get headaches from this it will certainly not be the government or the people of Canada but Trans-Canada Pipe Lines.

Mr. Murphy (Lambton West): Oh, that is a laugh.

Mr. Holowach: I have listened very closely to the arguments the Conservatives have been making with respect to how small Canadian investment is in our own country. Certainly I agree with that. It is a matter of concern to us. For 20 years we have constantly advocated a fiscal policy which would enable us to finance any enterprise and would create new wealth without creating debt.

Mr. Murphy (Lambton West): Twenty-five dollars a month.

Mr. Holowach: May I point out further that when we found that the geological picture in Alberta was promising for the discovery of oil and gas we sent men to eastern Canada in order to induce the financial interests there to help us to develop our resources. We were listened to but we were not successful. In 1939 we sent our minister of mines and resources to Great Britain. They too listened politely, and again we were unsuccessful. What alternative would the Conservatives suggest to the one source that was prepared to come into our country and help us develop this resource? Would they suggest that the resource remain in the ground unused and wasted?

Mr. Wylie: That is their policy.

Mr. Murphy (Lambton West): Was it not a Canadian company that discovered oil there?

Mr. Holowach: Our support of the bill does not preclude legitimate criticism of the government. In my opinion the policy that has been followed for some time has been rather unrealistic by reason of the fact that it has denied that the only way to build a gas pipe line is to have a sizeable market. The best bargain for Canadians, both as consumers and producers, would have been created if we had allowed the export of our surplus gas in order that the export market might pay for the transportation of the gas through the line in Canada.

I have noticed that a great deal of attention has been paid to an editorial that appeared in the Calgary *Herald*. It was pointed out that this is a paper that is published in the heart of the oil industry. May I just say that a much more realistic position is taken by the Edmonton *Journal* in its editorial of Thursday, May 10, 1956. Edmonton is also in the heart of the oil industry and, I may say, is the oil capital of Canada.

An hon. Member: Pretty weak.

Mr. Holowach: The editorial reads in part as follows:

> The federal cabinet's policy on natural gas transmission from Alberta to eastern Canada, and particularly its recent decision to advance $72 million to Trans-Canada Pipe Lines Limited, have been sharply attacked by opposition parties in the House of Commons. It is the duty of the opposition to criticize and oppose government policies, but it is also their duty, in a question of this kind, to propose a better alternative; and this they have been unable to do.

Mr. Ellis: Public ownership.

[Mr. Holowach.]

Mr. Holowach: The hon. member says "public ownership". The editorial goes on to say:

> The only real alternative to the Trans-Canada plan is public construction and operation of the pipe line. A strong theoretical case can be made out for this solution. In practice, however, experience with such organizations as the Canadian National Railways and Trans-Canada Air Lines suggests that federal ownership of transportation systems is not a satisfactory solution. Not only does state management tend to be unprogressive, inefficient and extravagant, but it is always subject to political and sectional pressure. . . . Generally speaking, a private corporation which is primarily interested in finding customers for its product is more likely to deal fairly with all parts of the country than a crown company which is under pressure by governments to remember the party faithful, . . .
>
> Of all the schemes proposed for distributing Alberta natural gas, the Trans-Canada Pipe Lines project seems, in balance, the best. It is to be hoped that parliament will ratify it without undue delay, so that construction may commence this year.

Mr. Ellis: They do not approve of closure, though.

Mr. Holowach: I certainly endorse the views contained in this editorial. I hope the passage of the bill will help to eliminate some of the hardship that has been caused by the delay in the export of our great gas surplus, and I am confident that it will make a great contribution to the growth and stability of our country.

Mr. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I think it was citizen Tom Paine who said something to the effect that those who expect to reap the benefits of democracy must undergo the fatigues of supporting democracy. I am sure that before this debate concludes tonight, Mr. Speaker, most hon. members in the chamber will be heartily in agreement with that sentiment. Tom Paine suffered unusual tribulation during the age of enlightenment, and could well speak from experience. However, I do not think his difficulties in defending democracy were greater than those that face the members of the opposition in opposing this bill this evening. We have been accused of political expediency.

Some hon. Members: Hear, hear.

Mr. Wylie: A socialist speech.

Mr. Dinsdale: The hon. member for Medicine Hat has implied that I am going to give a socialist dissertation tonight.

Mr. Johnston (Bow River): You are married to them. Why not?

Mr. Fulton: When are you going to get out of bed with the Liberals?

Mr. Speaker: Order.

Mr. Dinsdale: We have been accused of emotionalism. I agree with the hon. member for Kootenay West on that score. I think this is an issue to become excited about. During recent days magazines and other publications in Canada have been criticizing parliament for its lack of aggressiveness, its lack of zeal in pursuit of the public business. Only on April 14 the leading editorial in *Maclean's* magazine, after very severely criticizing the lack of interest in public affairs on the national level, concluded with this statement:

> Doesn't anyone know of a small body buried somewhere on parliament hill? Isn't there a single fang in the mouths of a couple of hundred politicians in Ottawa? Surely there's something wrong in the country!

I think it is high time that the members of this house, and I include members on both sides of the house, stand up on their hind legs and fight—

Mr. Murphy (Lambton West): How can seals do that?

Mr. Dinsdale: —on an issue that is really important in this country.

Now, unfortunately, we are debating under the pressure of closure and time is limited. I should like to make just a brief reference to this matter of closure. Students of public affairs, again in recent years, have been discussing the decline of parliament. I should like to suggest that here tonight, Mr. Speaker, we are seeing traditional parliamentary procedures being destroyed right before our eyes and the government rabble is howling for the death blow. We are discussing this issue and the bill largely in a vacuum of information, because there has been no very careful analysis of what has been described as the most important undertaking this country has ever assumed.

The Minister of Finance made that statement yesterday. The hon. member for Wellington South said he never expected within his lifetime to see an issue of greater importance than the one we have before us at the moment; yet we are being forced to discuss it largely in a vacuum of information because of the unseemly haste necessitated by the closure procedure.

We have to take it from the Minister of Trade and Commerce, who is subject to his advisers—and there is a tendency for the administration to become a government within a government—that everything is in the best interests of the country. Much worse still, we have to take it from the United States interests which are behind the promotion of this project, which I remind the house has been described as of momentous significance in the development of Canada, that this is in the best interests of Canada.

It has been said that at least proceeding with this measure now is building in the interests of the nation; it is getting things done. Well, I have heard that claim in other contexts in other countries. It was Mussolini who used to boast that he made the trains run on time and streamlined the mechanistic aspects of his fascist society. Hitler used to boast about his splendid autobahns, and of course we are all familiar with the five-year plans of the U.S.S.R. Perhaps it is a coincidence that this proposition we are discussing tonight has been on the way for five years; it dawdled along for five years, and then suddenly overnight parliament has to pass it on a sudden death basis.

During this discussion we have listened to a lot of friendly advice from our Social Credit friends.

Mr. Johnston (Bow River): Good advice, too.

Mr. Dinsdale: I am going to return the favour tonight, if I may. I just want to quote the nature of the advice we have been receiving so you will see we have been subjected to sufficient provocation. On page 3930 of *Hansard* for May 15, 1956, the leader of that party in referring to the Conservatives said:

> They are like a cat on a tin roof trying to find some dirt and manufacture for themselves an election issue. They have been so utterly bankrupt of ideas and propositions that they have to grasp at straws.

I could say that is the old psychological technique of projection, imputing motives and imputing ideas that you have yourself to those who have different ideas. I should like to suggest to my hon. friends that it is most regrettable that they, as an opposition group, saw fit to vote for closure this afternoon. Closure is being brought in under duress, so we have been told on several occasions, but certainly no opposition group which hopes to maintain itself in the confidence of the public of Canada should willingly stand up for the unprecedented method by which closure has been applied under the present circumstances. It is very dangerous for an opposition group to come too closely into the embrace of the government in power or the party in power. It tends to be the kiss of death. It is a vice-like grip, and I do not have any ulterior meaning when I use the words "vice-like grip".

We have been accused of political expediency because we fight for democratic principles that have been established by tradition and by painful struggle down through the centuries. As I examine those, other than the

members of the government, who are in support of this measure it seems to me that economic expediency is dictating their actions in this regard. Economic expediency, for example, might be the explanation for the support of the Ontario government in this respect. They have nothing to lose in this deal. They have an opportunity of having this natural gas, which is peculiar to western Canada, piped in as the letter quoted in the house from the minister of finance of that province said, at no cost to themselves. I think that in itself rather refutes the charge of political expediency. If we were wishing to think in terms of political expediency we would be embracing the Ontario administration with all the enthusiasm we could muster. But we feel there is a national principle at stake.

I want to take this charge of expediency just a little farther and apply it to the supporters of the government. The main argument that has been put forward from the government side is to the effect that haste is necessary. We do not know why such haste is necessary, except that the line has to get through to Winnipeg during this year. I am from Manitoba, and we heartily agree with that. However, there is no reason why that line should not have been through two years ago. Let me quote from a Liberal member of the legislature in this regard. We have had quotations from Conservative members of the Ontario legislature, so let me quote from a Liberal member of the Manitoba legislature. On March 26, 1956, he said:

> I urge that the honourable the premier and the cabinet and every member of this house, regardless of party, make their views known and I hope their views coincide with mine. That is: Let private enterprise build the line and sell the gas where they can. If Ontario and Quebec want their gas to go over the top of the lakes . . . let them build the line there by all means, with their own money. Or, if they can't do that themselves, let it be built by the shortest route, which means they would get it via Sarnia . . . after all, Canada and United States have maintained the peace since Christmas 1814, and they're not likely to start seizing our property now!

That is from a Liberal spokesman in the Manitoba legislature. Going on to speak of Manitoba's position in this regard, he says:

> Mr. Speaker, for many years we in Manitoba have paid for transportation of goods from the east. We've been told that we had to face the facts of geography. Now the shoe is on the other foot. We happen, on this occasion, to be in an ideal geographic position to receive this wonderful fuel . . . and we shouldn't for one minute be subservient to the interests of the Port Arthur area, or any other areas in the east.
>
> It is high time western Canada was recognized as an important industrial area. Let our resources be made available first to the people here; and then proceed to pipe the gas east when the east can pay for it out of their own pockets.

[Mr. Dinsdale.]

That is Liberal sentiment from Manitoba spoken by Mr. St. John, who has been actively pushing this pipe-line project for the past two years.

Why has this sense of urgency on the part of the government suddenly developed? I would like to suggest, Mr. Speaker, that it is because an election is pending. If this line is not in the ground by next year, if this unholy mess that confronts us in the breakdown of negotiations over the past five years is not remedied in concrete terms by next year, of course this administration will be committing political suicide in a good many parts of Canada, particularly in western Canada. I would like to suggest that it is expediency of the worst kind. Let me quote a former prime minister of this country on this score, Right Hon. Arthur Meighen. In his book "Unrevised and Unrepentant", Mr. Meighen said, at page 319:

> I believe in the British system of democracy and would submit to almost anything before surrendering those liberties which we as British subjects enjoy, but if anyone tells me that fidelity to party and fidelity to country are always compatible, or that the wisdom of mere numbers is the wisdom of heaven, then I tell him that he loves applause far more than he loves truth.
>
> Loyalty to the ballot box is not necessarily loyalty to the nation; it is not even loyalty to the multitude. There must be something better than an ambition to be re-elected or democracy will fall even in this dominion.

I had the pleasure of listening to my neighbour from Manitoba speak on a similar level last Monday to the "adventurers in citizenship", and I agree heartily with the sentiments he expressed on that occasion.

An hon. Member: The Minister of Justice.

Mr. Dinsdale: The Minister of Justice is my neighbour in Manitoba. This afternoon we had the pleasure of listening to the Prime Minister make a contribution to this discussion, and I felt an underlying sense of anxiety in what the Prime Minister had to say regarding this measure. He regretted that closure had to be applied; he regretted the unseemly haste, but it was one of the distasteful things that a leader of a nation had to face from time to time. I believe those were the words he used, "one of the distasteful things that the leader of the government faces from time to time." Well, now, I sense that he was very concerned about the unfortunate level to which parliament has descended because of the manner in which this measure is being pushed through the House of Commons at the present time.

I would like to suggest that the words of a former prime minister might well be taken to heart. There is a higher loyalty in this country than party affiliation. There is loyalty to the national interest; and when a political

party begins to identify its welfare with the national welfare I would suggest, Mr. Speaker, that that party has outlived its usefulness to the nation.

The one answer we have received to all the questions we have asked on this subject up to the present time as to why we must proceed in ignorance as a parliamentary body, a body responsible to the people of this country, is the stock answer, "There is no other solution". We must continue to place our confidence in this United States-dominated company, Trans-Canada Pipe Lines, even though it has failed to deliver the goods on all successive occasions, because there is no other solution. That is a tragic admission for an administration that has been in office for some 20 years to make, that they have no alternative policy for what they themselves have declared to be the most important development in the history of Canada up to the present time. I would suggest that the government should be ashamed to have to make an admission of that kind, particularly in a period when the Canadian economy is booming as it never has before, tied to the great United States boom to the south of us.

There are attempts to confuse the issue, of course. The hon. member for Provencher (Mr. Jutras) yesterday made one of those attempts. He suggested that on this particular issue we were criticizing United States investment. As I read the terms of the bill and as I listen to the discussion, United States investment has nothing to do with this particular issue. What we are opposing is Canadian investment in a United States company. We are opposing this unorthodox, reprehensible public financing which is being perpetrated on the people of Canada for the first time, and which was amazingly enough supported in the house as recently as yesterday by the Minister of Finance, though I thought he was a little bit sensitive on the subject.

A project of this magnitude, a project which has so much promise for the future development of Canada, should capture the imagination of Canadians from one coast of the country to the other; yet this government is forced to admit that it cannot get sufficient support from the Canadian public to finance it on a strictly Canadian basis, but must continue to work with the group which has broken all the promises it originally made. I would not attempt to prophesy, but, judging from the observation which was made at the opening of the session this afternoon regarding the purchase of suitable pipe for this undertaking, it seems that the project might once again blow up in the face of the government.

We are trying to be helpful and they will not let us. We can really be helpful. Let them refer this matter to a committee, and let us thoroughly analyse all the facts.

Mr. W. J. Henderson (Kingston): Mr. Speaker, I rise in this important debate to express what I believe is the attitude of those I represent in this House of Commons, the citizens of Kingston and district. I can say that I represent an area which is keenly interested in the transmission of a Canadian natural resource, namely natural gas, from the Canadian province of Alberta through Canadian territory to the Canadian province of Ontario, with as many distribution arteries and extensions as may be feasible to assist in reducing the price to the Ontario consumer while at the same time expanding our national economy.

We are what you might call a large potential consumer area. The evidence of this possible consumption of natural gas in our district of Kingston is supported by the *Financial Post* of May 12, 1956, when, on its front page, it shows a map of the area through which the pipe line will pass, with an indication of the title of each section, and I am pleased to note that the area from Toronto to Montreal along the north shores of lake Ontario and the St. Lawrence river is labelled, "Big Market Potential".

This area at the present time is experiencing an industrial boom in the wake of the St. Lawrence seaway project and the St. Lawrence hydro project. We might say that the known availability of hydroelectric energy is one of the chief contributing factors in the encouragement of heavy industry to settle in this area. For years the St. Lawrence seaway was delayed, with one of the chief factors of the delay being the United States lobbyists who were against the project. When our government indicated that we as Canadians would go it alone and build an all-Canadian St. Lawrence seaway, such opposition soon dwindled in the United States. I submit, Mr. Speaker, that when the opposition presently being presented before the federal power commission in the United States to the export of gas from Canada realizes that Canada is once again taking the initiative, such opposition will soon dwindle.

This bill No. 298 presently before us, I suggest, removes the possibility of the shackles of United States control, either legislative by government bodies, or by private or corporate bodies, in preventing the development of the use of Canadian natural gas and the availability of this Canadian resource to the people of Ontario.

With the availability of natural gas to the Kingston area, I anticipate a great boom

and as expansive a program as the St. Lawrence seaway is causing, and I know it is the wish of my constituents that this project should not be delayed further. What can we gain by delay? The lack of use of our natural resource, a higher cost of construction, a restriction on the development of Canada and particularly in the area which is described as being a big market potential.

Our neighbour to the south is in an enviable position. The United States has a network of gas pipe lines which run across it and currently energy from natural gas represents about 25 per cent of all the energy produced in the United States from coal, water power, petroleum and gas. To date we in Canada have been blessed with abundant resources of hydroelectric energy but our expansion program has caught up to our power potential and it is noted that in Ontario we might have a power shortage by 1962.

This expansion program has been stimulated by the atmosphere of good governments, and the reputation of this country for fair dealing has encouraged outside capital and personnel to be directed to Canada. The Canadian reputation to which I refer can best be described in the words of Hon. Leslie Frost, premier of Ontario, in a debate in the Ontario legislature on February 21, 1956, as reported at page 392 of Ontario legislature *Hansard:*

> Do not regard the fact that money comes here in large quantities as any deterrent. That is what has made and will make the wheels go around. Foreign capital is present in Canada in fabulous amounts, coming from various parts of the world, the United States, the United Kingdom and other countries. We have a reputation in this country for fair dealing.
>
> I said a moment ago that this pipe line is under the jurisdiction of Canada, subject to our legislative enactments. So are the great developments of this country which can be seen far and wide. They are in this country, because they know that Canada will treat capital from elsewhere fairly and justly, and may I say to all hon. members that we intend to maintain that reputation. The coming here of these vast sums of money, the coming of industry from other countries to Canada, have all added to Canadian independence, to our self-sufficiency as a nation, and this we intend to carry on.
>
> Bringing to central Canada and utilizing Canadian gas and oil is one of our greatest opportunities, one which a dozen years ago we did not think existed, and in this bill—"The Northern Ontario Pipe Line Act"—as placed before this house, there will be found an opportunity for expansion by the people of Ontario, an opportunity which is ours today.

Now, let us consider where a great deal of our fuel, consisting of coal and fuel oil, comes from to create our energy in Canada. Statistics have revealed that for the calendar year 1955 Canada imported from the United States 19,161,634 tons of coal at a cost of $102,418,429 and 171,660,357 gallons of fuel oil at a cost of $18,080,585.

Let us break this down by provinces. Manitoba imported 112,031 tons of coal from the United States at a cost of $1,094,872 and 1,045,420 gallons of fuel oil at a cost of $126,175. Ontario imported 16,056,600 tons of coal from the United States at a cost of $83,113,320 and 105,827,161 gallons of fuel oil at a cost of $11,829,771. Quebec imported 2,760,323 tons of coal, from the United States at a cost of $16,392,125 and 46,614,071 gallons of fuel oil at a cost of $4,607,533.

Therefore, when we consider that the total import of United States coal to Canada in 1955 was 19 million tons in round figures, of which some 16 million tons came from the United States into the province of Ontario; and that of the 171 million gallons of fuel oil imported from the United States 105 million gallons went to the province of Ontario, one realizes that this legislation is of the utmost importance to the province because it will provide an alternative source of energy selected from our own natural resources, developed in Canada and transported through Canada. I might add this is done entirely under federal and provincial legislation, and it makes no difference where the capital comes from.

We must remind ourselves, with special reference to Ontario, that the provincial government in its wisdom has established a fuel controller under the Ontario fuel board act. I should like to read sections 15 (1) and 16 (1) and 16 (2) of that act. Section 15 (1) reads as follows:

> The board may control and regulate the production, storage, transmission, distribution, sale, disposal, supply and use of natural gas in Ontario and may make orders with respect thereto.

Section 16, subsections 1 and 2, read as follows:

> (1) Without restricting the generality of section 15, the board may make orders fixing the rates, meter rentals and other charges to be paid by ultimate consumers of natural gas.
>
> (2) No new rates, meter rentals or other charges and no alteration of existing rates, meter rentals or other charges to be charged to ultimate consumers of natural gas shall be put into effect until ordered by the board.

Some people during the course of this debate have suggested that this bill will provide a sell-out to the Americans, that Trans-Canada Pipe Lines Limited will be controlled by American capitalists. They must have forgotten or entirely disregarded the fact that there is ample legislation to control the development and sale of this Canadian source of energy.

May I now refer again to our present imports of coal and fuel oil from the United States. United States interests can regulate

our imports of these goods to create energy with no control as far as Canadian consumers are concerned. They can tell us how much coal we will get, how much oil we will get, where and when we will receive delivery, and all the contributing factors to convenience and cost are out of the control of the Canadian consumer.

We in Kingston are not unmindful of these circumstances of the control of our elements of energy by American exporters of coal and fuel oil, because in this district we import all our coal and with very little exception all our fuel oil from the United States. We ask for the immediate availability of Canadian natural gas as a competitive source of energy, among other things, so that we as Canadians can have an opportunity to rule our own destiny. This legislation is the vehicle to answer both our requests. We need an immediate start on this project so that our expansion program will not be delayed due to a lack of energy.

I object very strongly to the calling of Americans who are interested in the investment of United States capital in Canada by such names as American or Texas buccaneers. Our economy in Kingston and district has been bolstered by the introduction of American capital along with capital from Britain, Germany and various other countries of the world. We have welcomed the introduction of capital and know-how to keep as many people as possible at work while contributing to the national economy.

I have been gratified to note that in this house on the votes on the introduction of this legislation, the Liberal members in the big market potential area along the north shores of lake Ontario and the St. Lawrence river have voted unanimously in favour of the introduction of this bill. In other words they have voted for the immediate transmission of natural gas to their areas as an alternative source of energy.

At the same time the Conservative members for Ontario, Prince Edward-Lennox and Leeds constituencies have voted against it. Why? Can they go home and say to their electorate, "Your need for an alternative source of fuel is different in Oshawa than in Belleville, is different in Napanee than in Kingston, is different in Brockville than in Cornwall," or can they say, "You do not need natural gas until years from now." I am sure we will note with interest their explanation to their electorate of their objections to this legislation.

Some hon. members have repeatedly used the word "subsidization" when referring to this legislation, but I think a more proper term might be interim financing, which is not uncommon in our economic methods of developing this country.

In concluding my remarks I should like to refer to a speech which I heard delivered by a distinguished American whose theme was "Build as Free Men". He stressed the things that Americans and Canadians have shared in common through the history of the two nations, things which have made them great and have had much to do with the fact that we have remained good neighbours for so many years. History demonstrates that certain things or principles have played a vital role in the development of our two countries and the prosperity of our peoples. He emphasized four specific points.

One, the driving force of great dreams and awareness of bigness.

Two, the realization that practically nothing is impossible as long as men are free.

Three, adherence to competition and free enterprise.

Four, a demonstrated willingness of both our governments and our peoples to accept change.

I commend the above thoughts to my hon. friends in the allied opposition parties who are opposing this bill, namely the Progressive Conservatives and the C.C.F.

Mr. W. M. Johnson (Kindersley): Mr. Speaker, I consider it my duty to take part in this debate. As a member of the C.C.F. I have always considered it my duty to take part in debates, but it is apparent that the government of the day does not consider it to be their duty because through their closure motion they have made it little more than a privilege for hon. members of the opposition to take part in this debate.

I should like to review some of the procrastination which the government has shown over the past five years, and which has led us to the present situation. Hon. members who were here at that time will recall the procedure in 1951 when Trans-Canada Pipe Lines was incorporated. My colleagues have put some of the most damning evidence on the record showing the pack of lies which the proponents of this bill put forward, lies which have been proved to be such by the subsequent turn of events.

For a time the matter was allowed to remain relatively inactive. The government was playing a game of chess with a few pipeline companies until 1955, when we heard the announcement of the establishment of a crown corporation to build the northern section of the line. We did not hear anything from our Social Credit friends in the intervening period, our friends who now state

that it is so urgent to dispose of the natural gas resources which they have in Alberta. Their vocalism of recent times has been prompted by a different motive, which I shall refer to at a later time.

The matter was left relatively dormant until 1956, when during the first several months of this session attempts were made to elicit information from a most reluctant government. Hon. members will recall the questions which were posed to the Prime Minister and the Minister of Trade and Commerce in an effort to glean information as to their proposed policy. It was to no avail. We had announcements of confidential letters of which the Prime Minister had no knowledge, and it was apparent that the Minister of Trade and Commerce would be only too pleased if no one knew anything about it. With that turn of events things were relatively quiet until a full government caucus was called, at which all the sheep were herded into the railway committee room and the Minister of Trade and Commerce announced what the government was going to do.

The policy was received with the utmost docility. The Rip Van Winkle which had been sleeping for 20 years finally woke up, and it was decided that this legislation which they accepted with such ease and rapidity must be passed by June 7. Closure was announced and received without any protest by members of the so-called democratic Liberal party. All government members had been listening to the dissertations of the Minister of Trade and Commerce on previous occasions and were only too anxious to toe the party line.

Backbenchers, who are usually reluctant to take part in any debate—I have noticed this on past occasions—have been encouraged to take part in this debate because by taking 20 minutes here and there it will limit the chances of the opposition to expose this whole sordid scheme which the government of Canada has perpetrated on the people of Canada.

The government has selected Trans-Canada Pipe Lines as their chosen instrument. She has become their favoured daughter. The haste with which the government is giving this $80 million dowry to its daughter makes her past conduct very suspicious. The government has now proceeded at second reading to reintroduce closure. It was introduced at the resolution stage without any opportunity whatsoever to debate as the Minister of Trade and Commerce gave notice of closure in his opening remarks.

At the second reading stage there has been no regard for the democracy of parliament and free speech. It is true that they allowed us a day or two more to discuss some of the manifestations of this very complicated bill. As the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Nanaimo (Mr. Cameron) have pointed out, the pipe contract is something which will require a great deal of study before all the information is finally revealed.

The Minister of Trade and Commerce has taken his traditional attitude. He says, "We are the government of Canada and we are going to do precisely what we want to do. Who is going to stop us?" It has been most amazing to notice the activity on the government benches during this whole debate. It is evidence to me that the Liberal party is stretching at the seams, that it is beginning to fall apart.

For some time now we have heard the rumour of the election of a new leader for that party. The reluctance of the Prime Minister to take part in this debate was apparent, because he waited until closure had been applied so he would be limited to 20 minutes. Then he could throw out a challenge to his colleagues that this was the last election in which he was going to run, that it was necessary that his mantle be placed on younger shoulders.

The challenge is out. In effect he said, "The colleague in the cabinet who can make the best speech on the pipe-line bill, regardless of his previous attitude, shall receive the party leadership." We have had the Minister of Finance vying for that position. We have heard the Minister of Mines and Technical Surveys, who generally admitted that he was not in favour of the proposal, vying for the leadership. The Minister of Northern Affairs and National Resources has entered the debate. It will be most interesting to see which speech receives the favourable nod by the Prime Minister.

The Conservative party objects to the loaning of money to a company controlled 83·4 per cent in the United States. They consider it not in good taste to lend $80 million to a Texas buccaneer, but it would be quite all right to loan that amount of money to a Canadian millionaire.

The Conservatives have drawn attention to the increased United States investment in Canada, and they have also pointed out the decline in the value of the Canadian dollar over the past number of years. I believe they said it was down to about 42 cents, but I think they are finding that the "Nickel" they have in their possession is worth less than nothing. Perhaps it is questionable if they still have that "Nickel". The position of the hon. member for Calgary South (Mr. Nickle) is understandable when one looks through the Parliamentary Guide and notices the various

oil companies in which he has a very significant interest. It is natural to expect he would be out to get the maximum amount of money possible out of this deal. The more development there is in the oil industry, the more benefit is obtained by those financially interested in the operation of oil.

The position of the Social Credit party is also understandable, because their whole political atmosphere in Alberta is dependent on the development of oil and natural gas. I might also hazard a guess that the party revenues of the Social Credit party also come from exactly the same source. Not long ago a prominent Social Credit member stated, "You do not need to know what Social Credit is; you feel it in your heart." They are supporting this measure because they have a good idea they will feel it in their political pocketbooks. In fact, so confused are the Social Credit party that at the resolution stage they voted against closure whilst today we find them voting for closure.

An hon. Member: Because of your obstruction.

Mr. Johnson (Kindersley): When the Social Credit party was organized they devised the Social Credit policy of "phony" money. It was a program that Mr. Aberhart began in Alberta in the depression period, when he promised to give $25 a month to everyone, but it would seem to me that if the Social Credit party wanted to be consistent it should come out with its proposal to pay $25 to everyone in Canada with the proviso that $1 would be deducted to pay for the pipe line and help out the oil millionaires in Alberta.

Mr. Johnston (Bow River): Why don't you socialize the oil? You are socialists. Socialize the oil in Saskatchewan.

Mr. Johnson (Kindersley): I have put some salt on the sore spot of the Social Credit party. The hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) makes a strange bedfellow with the Liberals and the Social Credit party.

An hon. Member: No stranger than the C.C.F. with the Conservatives.

Mr. Johnson (Kindersley): He has the aptitude to distort the truth, which would qualify him as a Liberal. It is quite apparent that he was bought by Liberal money and will be seeking a Liberal nomination at the next election.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: I did not hear the hon. member's entire remarks, but what I did hear leads me to believe that they should be revised.

Mr. Johnson (Kindersley): Pardon me, Mr. Speaker; I left the impression that the hon. member for Moose Jaw-Lake Centre has been bought by the Liberal party. Perhaps that has not happened as yet. So I shall have to withdraw my statement.

An hon. Member: Withdraw.

Mr. Deputy Speaker: I understand that the hon. member has withdrawn any imputation against a fellow member.

Mr. Johnson (Kindersley): That is right; I mentioned that I had withdrawn my statement, Mr. Speaker.

The C.C.F., the effective opposition, rather than the official opposition, has a stand which is perfectly clear. We have believed that a natural resource such as gas is so important that a pipe line should be built, operated and controlled by the people of Canada to serve the people of Canada. The first claim to public ownership is to prevent the present sell-out of our resources to the Americans.

The Minister of Finance very kindly quoted from a speech by Mr. Porter in the provincial legislature, as recorded on page 4142 of *Hansard*, as follows:

> The day will soon be upon us when with a continuing growth at the present rate, a shortage of energy resources will set in and progress will accordingly be limited and cut down. It is not only desirable, but is an absolute necessity, that every possible provision be made for access to the people of this province to an abundant supply of natural gas.

The Prime Minister, speaking today, said that future generations of Canada will be glad it will be built. Let us just look at the present proposal. It is a proposal that three-fifths of the gas which is being exported from Alberta will be used by Canadians, since of the 500 million cubic feet, 200 million are being exported to the United States. If Canada is going to grow, as the hon. member who has just spoken has indicated, and if, as the hon. member for Rosthern indicated, we are a great people making great strides, we are going to need that 200 million cubic feet of gas we are shipping to the United States, and we are never getting it back under the present proposal.

Mr. Harris: Nobody on this side said that.

Mr. Johnson (Kindersley): The only way to establish those resources for the people of Canada is by public ownership. This afternoon the Prime Minister said that the difficulties of public ownership are not insuperable. When he went on further to point out why the loan had to be made to Trans-Canada Pipe Lines Limited, a member of the Conservative party interjected, "They were

broke." The Prime Minister said, "Yes, that was the only justification for making the loan."

Let us go back a few months and think of the debate that took place earlier this session, when a pipe-line company was not broke but thousands of western farmers were, through their inability to sell their grain. Was there any talk of giving them a cash advance because they were broke? Now they are loaning money to a crown corporation at 3½ per cent when farmers were being loaned money at 5 per cent.

The government has stated periodically that it is not opposed to public ownership; it just does not like public ownership. What arguments against public ownership has the government put forth? The Minister of Trade and Commerce put the only argument against public ownership on the record. At page 3862 of *Hansard* he pointed out that there was the necessity of setting up an organization. What is a government for but to set up an organization? Surely, as the Prime Minister said, it is not an insuperable task. They indicated they would be unable to get the gas from these sources in Alberta which are so closely allied with our Social Credit friends. Surely with the two parties together on this issue, they have made such a lasting friendship that they should have no difficulty, if necessary, in arranging with their Social Credit friends who have control of the gas to sell it to public ownership.

They also pointed out that one of the objections has been the limitation of pipe. They say that 34-inch pipe simply is not available. Admittedly Trans-Canada Pipe Lines Limited has an option on this pipe, but if it were not going to be used, surely it would not let $40 million go to waste with the pipe companies which manufactured the pipe. That pipe would become available for the country to utilize under public ownership.

The arguments which the government has used against public ownership are straw men. Some of them are United States straw men, some of them Canadian, but all of them are manufactured by the same imagination that dreamed up the use of the closure motion at this time. It has been proven that public ownership will work. The government has yet to prove that it will not work.

So, Mr. Speaker, I am appealing to the members of this house to support the amendment to the amendment moved by my leader, the hon. member for Rosetown-Biggar, requesting further consideration of this matter so we can go ahead and set up a public enterprise to handle natural gas in order that it can be utilized, in the words of the Prime Minister, for the generations to come and not for the benefit of a few Texas buccaneers.

Mr. D. R. Mitchell (Sudbury): Mr. Speaker, to the best of my knowledge I am the second member from northern Ontario to speak on the pipe-line bill. I feel that inasmuch as the legislation includes the northern Ontario pipe line which will be of great advantage to northern Ontario I should contribute something to the debate now taking place on this particular issue.

I have heard a great deal about closure being applied by the government with respect to this debate. The matter has been argued pro and con, and I believe I can clarify my stand on it by drawing the attention of the opposition to the fact that a certain committee was set up by the house last year, I believe, which had to do with the review of the rules and procedures of the House of Commons. To the best of my knowledge all parties were represented on that committee and all views with respect to the rules were discussed and agreement was reached thereon. To the best of my belief there was no argument at that time that the closure provision should be taken out of the rules. Therefore I assume that it still remains among the procedures of this house.

There is no doubt about the fact that the opposition have, within the rules of the house, used all means within their power to delay, obstruct and in every way possible stop the passing of the bill. They have done so within the rules of the house; therefore I do not see any reason why the government cannot apply the closure rule which also remains as one of the rules of the house. I understand that closure is used in the mother of parliaments which is referred to so frequently by the Leader of the Opposition as the outstanding example of procedure in any parliament. When the hon. member for Timiskaming (Mrs. Shipley) drew the attention of the house to the number of times that closure had been used at Westminster the hon. member for Winnipeg North Centre (Mr. Knowles) interrupted and said "agreed to". I can agree with him, but I also have the number of closures which were not agreed to in the mother of parliaments, and in the last seven years the number happens to be 45 which, means that over six and a half closures per session were not agreed to. I will admit that 148 were agreed to, but the grand total of closures in the British parliament in the last seven years is 193.

Mr. Castleden: There are no provincial houses over there.

Mr. Mitchell (Sudbury): Therefore I feel that in spite of all this arguing and beefing about closure it is not the vicious weapon that the opposition would have us believe. Last night the leader of the official opposition was granted the privilege of continuing his speech without interruption for another hour. He saw fit to refuse that opportunity; nevertheless I imagine that he and his party will still say that they were prevented from saying anything further in this debate. He used 20 minutes today. I think possibly the press will be well advised to take note that he will still claim that he was shut off because of the closure motion before the house.

As I come from northern Ontario I must say something about a fellow named Frost, the premier of the province of Ontario. I do not wish to go into details, but he and his government have thoroughly endorsed that part of the pipe line through northern Ontario with which we who live there are particularly concerned. His acquiescence in the bill now before us is right down our alley as far as we in northern Ontario are concerned. I think he realizes that industrial and domestic use of natural gas is very necessary in our province.

Many years ago the Canadian Pacific Railway was extended to western Canada to promote markets for eastern Canada in the west. That added greatly to the industrial and general well-being of all the people of Canada. As I see the situation, the pipe line we are now discussing is the C.P.R. in reverse. It will bring to eastern Canada a certain commodity of which there is more than plenty in the province of Alberta, and provide a market in eastern Canada for that western product. To me the situation is the same only in reverse, and the pipe line will benefit all Canadians.

In northern Ontario we have a continual struggle to obtain power. A great many hydro projects have been launched and are in operation. However, in the particular area from which I come we still seem to worry about the possibility of obtaining further power. There is a certain company, of which you are all aware, which conducts its operations in the area I happen to represent and which supplies in the neighbourhood of 90 per cent of the world's nickel. They use a great amount of power. They are using as much power as the Ontario hydro can give them from various sources of supply, and in addition they have their own hydro development in reserve in case they do not receive enough power from Ontario hydro. In addition to that they use a great amount of coke, oil and coal. The company of which I am speaking uses 600,000 tons of United States coal per year. With the advent of this gas line I can see where our Canadian resources are going to be used instead of importing this great amount of United States coal.

The McMahon proposal has been held up in this house by a number of speakers as a shining example. I should like to bring to your attention, Mr. Speaker, the inadequacy of the amount of gas that would be transported to eastern Canada under that plan. I am authoritatively advised that the 500 million cubic feet of gas per day which the McMahon interests expected to transport east would shrink to 100 million cubic feet per day after the line left the Ontario-Manitoba border. The company of which I am speaking is prepared tomorrow to use 20 million cubic feet of that gas per day. Upon further conversion they are prepared to approve of the purchase of 50 million cubic feet of gas per day. In view of those circumstances, sir, you can see how inadequate the amount of gas under the McMahon proposal would be, not only for use in my own area but for those farther east.

Added to that, sir, we have a city of 52,000 people who would use a few cubic feet of gas. There would, therefore, be very little left over for the people farther east for whom we are trying to bring in gas. During this debate the Progressive Conservative party have done all in their power to delay this bill. I should like to rename that particular party, if I may, without changing the initial letters. The Progressive Conservative party name is shortened to P.C., and I wonder if I could, instead of the word "progressive" use the word "prohibitive" and call them the prohibitive Conservatives. In my view, and in the view of the people in my area, that is about the way it sounds when we want gas. Speaking for my constituency, I feel that what we want is a great deal of hurry. We need the gas; we want the gas, and we want it as quickly as we can get it.

Mr. G. C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, the hon. member for Sudbury (Mr. Mitchell), who has just taken his seat has made what I thought was a rather laboured defence of the government for inaugurating closure at this time. I thought, as Shakespeare said, "Methinks the lady doth protest too much." The hon. member said that last night the Leader of the Opposition was granted the privilege of speaking for an additional hour. That is the pass to which this parliament has come, that when the leader of the government has made a suggestion, parliament has granted some privilege or some right. I think that is

indicative of the thinking by which this government was actuated when it inaugurated closure.

Since the hon. member did speak on that for a moment or two, I should like to deal with it as well because closure has an important part in this debate. This afternoon the Prime Minister said he intended to devote part of his time to closure and part to the bill itself. As a matter of fact I think he divided his time about equally between the two matters. The hon. member for Kamloops replied, and also referred to closure. The Minister of Justice said he spent about 90 per cent of his time on things other than the bill, and I think he was quite justified in doing that.

What is the situation with respect to closure? It is something which has been grafted upon our rules in very recent days, from a historical standpoint. Closure was a practice which developed in continental European parliaments, where they were riven with groups and divisions of all sorts and where certain groups were determined to obstruct parliament. Closure, or the old French word clôture, was first defined and incorporated in the rules in Britain during the days when the Irish nationalist group attempted to obstruct parliament in order to so nullify the actions of parliament that the British parliament, perhaps in disgust, would grant them Irish home rule; that is when it came to Britain. We adopted it later.

I venture to suggest, Mr. Speaker, that no parliament in the British commonwealth, leaving aside for a moment the British parliament itself, has ever adopted closure except after a long and protracted debate on the various stages of the bill. It is, as the Prime Minister suggested this afternoon, something which you reluctantly grasp; it is something with which you reluctantly deal, and why? Because it is a gag which nullifies parliament.

Never in the history of a parliament in the British commonwealth have we reached the stage which we have now reached in this parliament, where in the opening speech at the resolution stage the right hon. gentleman who speaks first says, "Parliament, you are through; I am giving notice that this debate concludes tomorrow night at one o'clock". It is true that closure was adopted in 1913; it is true that it was adopted in 1917 and sometime in 1926 and in 1932. You can count the number of times on the fingers of one hand. But never in this country or any other country has it been adopted during the preliminary stage as it was here.

There is one question we would like to have answered. Why it was done at that time? If you are going to introduce closure at the resolution stage, why summon parliament? You are negativing the whole procedure. As the hon. member for Kamloops pointed out very effectively this afternoon, the resolution stage is the most effective stage at which debate and inquiry can be conducted.

It is interwoven in our constitution that when a bill involving the expenditure of money is brought before the house it should be preceded by a resolution. Why? Because in the old days the king had to justify to parliament why it was even necessary to bring in a bill, and until that justification had been established the bill could not be introduced. In this case the resolution is introduced one day and debate finishes the next. As I said, it is a negation of parliament. It is now going to serve as a precedent because, since it has been done on this bill, it can be done again on some other bill.

This is the most important bill which has been before the House of Commons for 25 years, at any rate, and perhaps 50 years, and debate is precluded. Why do you not close up this place? The Minister of Trade and Commerce has not made a very successful job of selling wheat. Perhaps we could use this building more effectively to store wheat, rather than have a nullified debate such as we have now.

I read the speech the right hon. gentleman made at a meeting in the Chateau Laurier on the occasion of a birthday party, or a celebration of some kind, in that building in January or February, and he said: "I am afraid, like Churchill, that I am a House of Commons man". Well, Mr. Speaker, he does not have to be very much afraid. He is the only one that is afraid of it, I can tell you that, because Churchill suffered a lot of criticism and abuse but I do not think he ever had to stand a body blow like this. Anyone who introduces closure at the opening stage of a debate and then says, "I am a House of Commons man" is using his imagination.

Tonight we are on the second reading of the bill. It is now a quarter after eleven. An hour and 45 minutes from now, unless someone happens to have the floor for a few moments, this debate will be concluded and the guillotine will fall. This is the second reading of the bill, the time at which we are supposed to discuss the principle of the bill.

An hon. Member: When are you going to start?

Mr. Nowlan: When can you start when you have closure imposed on you? It is not only the principle of the bill, but the principle of whether parliament is going to be maintained

at all in this country or whether the executive is going to rule supreme that we must discuss, because there is much more in this bill, Mr. Speaker, than simply the question of financing, important as that may be, and it is very important. One could make a speech or several speeches on that. It is the control of a great natural resource.

It is true that last night the Minister of Finance made a legalistic play on words and suggested it was not dealing with natural resources; it was only a pipe line to convey that natural resource. If the Minister of Finance drove a nail, or opened up the pipe line and held a match beside it, he would get burned by the natural resource which was escaping in the way his party is going to get burned because of the way this government has been treating the House of Commons.

He told us about the effects on other industries, of the great development of industry that will take place in this country through the use of gas. Of course that is so, and that is all the more reason why we should discuss this thing and why we should have time to debate it. We spend days in this House of Commons on minor, trifling and relatively unimportant bills, and quite properly so. Here the debate is stultified and virtually nullified by a party which is masquerading under the pseudonym of Liberal and which professes to be the friend of the people and representing the people.

Why is debate precluded, Mr. Speaker? It is not because the issue is clear-cut, not because it is simple. After all, this government has spent five years wrangling over it, trying to make up its mind as to what it is going to do. The cabinet met and met. One day last year the Prime Minister told us there were three alternatives, but he never told us what they were discussing. He said this was the worst one.

I guess we have it, Mr. Speaker. There is no question about it, we have the worst one. We know that the cabinet met for weeks and weeks this spring trying to deal with this matter. Then when it finally comes before the house, what are we told? This afternoon the right hon. gentleman said, "After considering all the alternatives we came to the conclusion". Then he went on to say, "It appeared to us". And later on, "If we believe, as we do, then we must do so and so".

Who is the "we", Mr. Speaker? That is the old imperial prescript. That is the language King Charles I used when he was quarrelling with parliament. Undoubtedly King Charles believed that he was right. However much they may have deplored his judgment, no one suggested he did not think he was right and was doing the right thing when he closed up parliament and said, "We, we, we". That is the royal "we" again.

An hon. Member: The divine right of kings.

Mr. Nowlan: The divine right mentality. That is the mentality of the Bourbons who said, "L'Etat c'est moi"—"I am the state". And so, Mr. Speaker, the wheel has come full circle again. We now have the executive having supremacy over parliament as it had in the days of King Charles. There is this difference at the moment, but I do not know whether it is such a difference. King Charles lost his head physically. This government lost their heads intellectually before they brought in this measure. They are going to lose their heads politically when they go to the country.

Unfortunately for myself I was away a week ago when this matter came up; I had to be home. A friend of mine told me the government had brought in closure at the resolution stage. I could not believe it, Mr. Speaker. I never heard of such an action of political lunacy in my life, and I could not believe it was possible.

Mr. Knowles: Whom the gods will destroy they first make mad.

Mr. Nowlan: Whom the gods will destroy they first make mad, and they have made this government mad and they are going to be destroyed. This afternoon the Prime Minister plaintively said, "Can we shirk whatever distasteful responsibility with which we are confronted?" What a pitiable statement, Mr. Speaker, to make on this great national undertaking of which we should all be proud and which they say is an undertaking which regretfully, hesitantly, almost crawling along, we now have to start.

The company, like Gaul, is divided into three parts. There is the leg running down to the United States, which cannot be built until we get permission from Washington; there is the bridge across northern Ontario which cannot be built until we have a connecting link, and they cannot build that until we lend them the money.

What position is this government in? Every promise this company has made to it has been broken. We have reached the position where the company apparently says to this government, "We want cash on the barrelhead before we will proceed with the part which we said was the easiest of all". We have reached a stage, Mr. Speaker, where no one trusts the company and the company does not trust our own government.

We had wheat legislation before this house a while ago. We did not entirely approve of the action, but we were told that the

government wrote a letter to the banks and on the authority of that letter the banks accepted the undertaking of the government of Canada; but not these gentlemen from the United States; oh, no. The right hon. gentleman could say, "The government will carry through this legislation. The government has a big majority, and in time we will pass this bill through the house and we will give you the money", and in the meantime the company could start construction. But no, these gentlemen from Texas, or points south, say, "We must have the cash on the barrelhead," and so parliament is told by the executive that we have to ram this legislation through so we can satisfy them because they do not trust us, and that is the reason for closure. So much for closure, Mr. Speaker.

Someone said that I should discuss the principle, and I will tell him this. The hon. member for Edmonton East (Mr. Holowach) a while ago made a great plea for the province of Alberta, and I do not blame him for that. The hon. member for Sudbury (Mr. Mitchell) spoke about the demands in his own district. But as the hon. member for Royal (Mr. Brooks) pointed out yesterday, there are parts of this country which will not benefit in any way, shape or form from this project, and I happen to come from one such part.

That does not mean that I would not support this project if I were convinced it was in the best interests of Canada and if it had to be done and could only be done as a public work. There was a time in this parliament two years ago when we dealt with the St. Lawrence seaway. That obviously was something which should have been constructed for the nation as a whole, and every one of us from every part of Canada supported it. Coming from the part of Canada I do, I say that every opportunity should be given to private enterprise to construct this project before the nation is involved in a huge expenditure.

Much has been said about the Tories and the Conservatives. I have a letter in my hand—and I know the same letter was received by other hon. members—from the united mine workers of America, no great capitalistic organization, asking me as a member from the maritimes, and asking every other hon. member from the maritimes, to vote against this bill if it involves government expenditure because, as they point out, they believe they are going to lose the market for hundreds of thousands of tons of coal in the St. Lawrence area if, as and when this legislation goes through. Whether that is right I do not know but I am passing on the fact and I do say that this is one real reason to object to the passing of legislation such as we now have before us involving a public expenditure, building first the bridge and then lending 90 per cent of the cost of construction of the line across the prairie provinces.

The fruit growers of the Annapolis valley a while ago tried to get some money from this government. They waited seven months for an answer. It was yes, no, and in and out and after a great deal of waiting they will receive approximately something between $100,000 and $200,000. As broke as they are, the fruit growers of the Annapolis valley could finance the pipe line if the government would advance 90 per cent of the cost. One could continue to deal with the situation down there. I know the guillotine will descend very soon. I am told I have two minutes to go; two minutes to go on a matter such as this, and this is parliament under a Liberal government.

Mr. Fleming: Under a fascist government.

Mr. Nowlan: I say this measure should not be rammed down our throats and the public should not be forced to put up money one way or another until at least every other avenue has been explored. Let me say this in conclusion, and I know it has to be the conclusion. The procedure of this house requires that any relatively minor bill must be sent to a committee for investigation and study. When the bill incorporating this company was before us five years ago it was sent to a committee for study. Last week we sent a bill to the standing committee on railways, canals and telegraph lines providing for the construction of a 20-mile railway branch line in New Brunswick which was important to the area—

An hon. Member: Very important.

Mr. Nowlan: Yes, it was important to the area, of course, and it was sent to the committee. We are now asked to pass this bill, which is certainly more important than any other bill which has been sent to the committee for years, without having the opportunity of studying it in committee. Why, Mr. Speaker? Why is the government afraid to send this bill to a committee? Is it because of what happened last year?

Mr. Pickersgill: It is going to be sent to a committee.

An hon. Member: It will be sent to the committee of the whole.

Mr. Nowlan: Is it because of what happened last year, when there was a fairly prolonged debate and public opinion was aroused from one end of this country to the other? I suspect that is one of the reasons; the matter will be investigated and discussed if it is sent to the committee and public opinion across

this country will be aroused. It is either that and/or, probably both, because the government does not want the facts to be disclosed.

Think of the questions which have already been raised in this strangled, abbreviated debate. Question after question has been raised going to the merits of this case, and we are precluded from getting answers. When we go into committee of the whole the rule of closure will probably be applied, and when we ask questions we will not get the answers.

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

Mr. Rowe: You have been cut off.

Mr. Alan Macnaughton (Mount Royal): Mr. Speaker, if there is one quality which Canadians admire it is courage; therefore I must confess an admiration for the Leader of the official opposition, because during the past few days he has displayed a great degree of courage in that not only has he stood firm against the considered opinions of technical and financial experts, including that of a member of his own party, but he has had the courage to fly in the face of his own beliefs and policies.

Hon. members will recall, I am sure—

Mr. Drew: Mr. Speaker, I do not intend to make any unnecessary objections to any of these statements, but the hon. member has no right to make a completely false statement to the effect that I went in the face of my own convictions.

Mr. Pickersgill: The hon. gentleman has no right to interrupt.

Mr. Ellis: The hon. member is reading every word.

Mr. Deputy Speaker: If there was an imputation that the hon. member was saying something he did not believe, that remark, of course, must be withdrawn.

Mr. Ellis: Read on.

Mr. Macnaughton: Hon. members will recall—

Mr. Fleming: Withdraw.

Mr. Macnaughton: Hon. members will recall, I am sure, that it was during the Leader of the Opposition's distinguished tenure—

Mr. Fulton: Mr. Speaker, on a point of order, did I understand you to say the hon. member must withdraw that remark?

Mr. Deputy Speaker: I requested the hon. member to withdraw any imputation that the Leader of the official opposition had said anything in which he did not believe. I think that was the intent of the question of privilege.

An hon. Member: He did not say that.

Mr. Macnaughton: Mr. Speaker, I am very glad, of course, to withdraw if it hurts the Leader of the official opposition.

Mr. Fleming: That is not a withdrawal.

Mr. Macnaughton: In any event, as premier of Ontario, the Leader of the Opposition—he was a very distinguished premier—

An hon. Member: Distinguished looking.

Mr. Macnaughton: —established Ontario House in London, England. The avowed purpose of that government agency, a purpose which it has admirably fulfilled, was and is to attract to Canada the investment of foreign capital.

Mr. Trainor: Let us get to the pipe line.

Mr. Bell: Who wrote this?

Mr. Macnaughton: What difference, may I ask, is there between the investment of British capital in Canada's future, and the investment of capital from another country, whether it be the United States or not?

Mr. Bell: What book are you quoting from?

An hon. Member: Ding dong Bell.

Mr. Macnaughton: I should like, if I may, to quote from a recent issue of the Montreal *Gazette*, a newspaper which is a strong supporter of the Conservative party. On Monday, May 14, under the heading "Canada's Historic Problem—Distance". The *Gazette* said:

> Ever since—

And I insert the word "confederation".

> —new links have strengthened the bond between Canada's east and west—more railways, telegraph lines, the telephone, radio, the air lines. The trans-Canada highway when it is completed will become a further major link.

It went on to say:

> Today Canadian technological know-how makes the boldest engineering schemes feasible. But there remains the problem of finding money to pay for them. That problem is once again occupying Canada's parliament.

Mr. Trainor: Put the books away and stop quoting.

Mr. Macnaughton: The problem of finding the money to pay for another in the long line of major Canadian economic developments is indeed facing this parliament, but some of the members of parliament have shown themselves totally disinclined to face the problem.

Mr. Bell: Is this a radio speech you are reading?

Mr. Gauthier (Portneuf): The Bell of peace.

Mr. Macnaughton: Perhaps they honestly feel that the people of Canada will be impressed by these forlorn, delaying tactics. If so, I would earnestly advise them to feel the public pulse a bit more professionally. When we consider the construction of a pipe line from the Canadian west to the Canadian east, we are considering a project of the relative magnitude and productive potential of the construction of the first transcontinental railway.

Mr. Bell: Are you speaking from the heart?

Mr. Fleming: He is reading from the heart, or from the desk.

Mr. Deputy Speaker: Order.

Mr. Macnaughton: It is true that there were calamity howlers even then, nearly 90 years ago, people who had not the vision to see our country's future unfolding before them. Fortunately, their obstructive efforts—

Mr. Fleming: Dispense.

Mr. Macnaughton: —were insufficient to constitute an effective rail block, just as their present-day philosophical heirs will be unequal to the task of setting up a pipe block.

The trans-Canada pipe-line project is a billion dollar undertaking. Not only will it be the biggest thing of its kind in the world, it will involve ancillary industrial expansion which may well result in Canada moving on an up-draft of natural gas to a higher plateau of national greatness.

Mr. Fulton: Mr. Speaker, on a point of order—

An hon. Member: Sit down.

Mr. Deputy Speaker: I understand the hon. gentleman is rising on a point of order.

Mr. Fulton: My point of order is that under the circumstances I feel sure the house would give the hon. gentleman leave to file his speech.

Mr. Deputy Speaker: Perhaps the hon. gentleman will agree that that is not exactly a proper point of order.

Mr. Fulton: It is not proper that the hon. member should be reading his speech.

Mr. Macnaughton: There is one thing sure; the people of Kamloops will not need a gas pipe line into that district.

Mr. Fulton: We have one already, built by private enterprise without government assistance and under Canadian control, by Mr. McMahon.

Mr. Macnaughton: This building program will involve the expenditure of many millions of dollars in Canada. In addition, the knowledge that the pipe line exists will stimulate further exploration for potential gas sources and the development of those sources when found. This means more dollars spent in Canada. At the other end of the line, in Ontario and Quebec, large capital and maintenance investments will have to be made in the manufacture of equipment for the distribution of the gas. Hence there will be increased industrial activity, increased employment, increased national income.

The years since the second world war have been years of expansion in Canada on a scale so tremendous that if anyone had seriously predicted them two decades ago he would have been dismissed out of hand as an egg-headed visionary. We have had the expansion of the aluminum industry at Kitimat, the expansion of the iron ore industry at Steep Rock and in Labrador, the expansion of hydroelectric power facilities in Ontario and Quebec, the expansion of transportation facilities through the St. Lawrence seaway, the expansion of atomic energy facilities at Chalk River. And now we are on the threshold of another phase of expansion, the development of our natural gas resources.

I said a moment ago that this is a billion dollar project, and so it is, but the Leader of the Opposition and his colleagues in this house are apparently unable to take in the entire picture. They apparently can see only a small corner of the canvas, that corner which is occupied by the short-term loan the government proposes to make to the private company which has undertaken to construct and operate the trans-Canada pipe line. The fact that many of the officers and principal shareholders of this company are Americans seems to offer irrefutable proof to the members of the Conservative party that the government of Canada is ready and willing to sell this country down the Mississippi.

May I ask why it is that these gentlemen from the United States are willing to take a multi-million dollar gamble here in Canada? Is it not because they have more faith in Canada than some Canadians themselves have? If there is a flow of United States risk capital into this country is it not because little or no Canadian risk capital can be found? It is an unfortunate fact that those who proclaim their love of Canada most loudly, and who are shrillest in their denunciation of foreign infiltration, economic, social or political, are least inclined to invest personally in any phase of Canada's development which has not already, through the courage and foresight of others, become established as a sure thing. They not only want to have

their cake and eat it too, they want someone else to do the baking and take the first bite to make sure it is palatable.

On the subject of the suspected "sell-out" we have heard here in the house repeated references to the Minister of Trade and Commerce as a dictator, a man who is prepared to sacrifice public interest to political expediency. I think the answer to that is simply that if the people of Canada held this same belief there would now be a different Minister of Trade and Commerce.

But the people of Canada do not believe this. They know that the Minister of Trade and Commerce is a doer, not a dictator. He is a bottleneck breaker, a production man turned to politics. If enterprise, to quote the Royal Bank letter of May 1956, is the doing of things, then the minister is a man of enterprise because he gets things done. Being a good production man he hates waste, either of money or of time. And at the present stage of the trans-Canada pipe-line project time is even more valuable than money.

We have reached a point in Canada's national progress where additional sources of energy are urgently required. Less than 10 per cent of our total energy is in the form of electricity. The remaining 90 per cent is found in fuel of one kind or another, coal, oil, wood or gas. Hence, natural gas is not in itself a competitor with electricity. Its development as a source of energy will take place within the 90 per cent non-electric area, and therefore its productive potential is almost unlimited.

The United States is now served by a tremendous network of natural gas pipe lines, pipe lines which provide about 25 per cent of all the energy consumed in that country. Moreover, it is predicted that in the near future natural gas consumption for domestic purposes will equal that of oil in the United States, and that within one year there will be no substantial section of the states which is not supplied with natural gas services. It is estimated that one out of every two houses in the United States is using natural gas at the present time. In comparison, gas provides only 6 per cent of the total energy consumed in Canada. Obviously there is a national need for making our western gas reserves available to the rest of the country.

The province of Ontario will require additional sources of energy, other than electricity, within the next six years. Ontario is looking for low-cost energy, and natural gas is the answer.

The hon. member for Three Rivers (Mr. Balcer) stated this evening that Quebec is not interested in natural gas. I do not know about the city of Quebec or the city of Three Rivers, but I do know about Montreal. In Montreal there is no shortage of hydroelectric power, and there will be no shortage for at least 25 years. However, Montreal is one of the most expensive cities in America when it comes to buying coal. Because of Ontario's relative proximity to the Ohio and Pennsylvania coal fields coal laid down in Toronto is much cheaper than the same coal laid down in Montreal.

Consequently when the trans-Canada pipe line reaches Montreal it will have a beneficial effect upon the fuel situation. Because of its competitive qualities natural gas will not only provide an efficient and cheaper source of heat but it will also bring about a reduction in the consumer cost of coal and oil. This will of course be to the direct advantage of domestic consumers, householders and apartment dwellers.

Further, it will materially help Montreal to maintain its position as Canada's metropolis, in spite of the rapid expansion of other cities. The high cost of fuel in Montreal has had the effect in the past of discouraging the establishment of certain industries there, inasmuch as fuel is a major cost factor in the production of goods. As a result, the coming of natural gas to Montreal will place that city in a better competitive position with respect to other manufacturing and industrial centres.

The domestic consumer will benefit in many ways from the availability of natural gas. Like other large cities, Montreal is bursting at its residential seams. Areas which once were small suburbs are now the scene of great housing developments. Former country villages are now city suburbs. What a few years ago was farmland is now urban property. This movement toward the periphery will continue for many years to come.

Once the trans-Canada pipe line has been laid into Montreal, feeder lines can be hooked on to it to supply new residential districts. Thus there will not be the initial construction expense of providing for large central heating units in houses, nor the operating expense of buying more expensive fuels to heat the houses. Even in the older, long-established residential areas, where no gas supply system exists and where it would be uneconomic to introduce such a system now, residents will find the coming of natural gas a benefit, since it will bring down the price of other fuels.

There is also an important national defence aspect, so far as the Montreal area is concerned. Oil supplies to Montreal come from sources outside Canada, principally the South American countries, and during wartime the

movement of tankers is seriously hampered. With the completion of an all-Canadian gas pipe line, adequate fuel supplies will be assured regardless of enemy action at sea.

A rather more specialized but none the less important field is the production of petrochemicals. A very limited supply of these hydrocarbon by-products is now obtained from Montreal oil refineries, but there is a virtual ceiling on their production. Natural gas will raise that ceiling substantially, if not remove it altogether.

I should like to restate a point upon which I touched earlier. When I speak of energy resulting from natural gas, I am speaking of the fuel aspect rather than the power aspect, the supplying of heat rather than lighting or the turning of wheels. The province of Quebec, and particularly the industrial and manufacturing area of Montreal, must adopt the use of low-cost natural gas if it is to keep pace with industrial development in Ontario.

Canada's economic and social development in recent years has not been the result of occult forces working beyond our human understanding. It has been the result of careful planning and courageous action. The prime function of good government is to create the atmosphere in which progressive planning can be done and productive action can be taken. The present government has created and maintained such an atmosphere. It has not rushed heedlessly into disaster, but neither has it hung back in indecision when the moment arrived for positive accomplishment.

An hon. Member: Give us the author.

Mr. Macnaughton: The time has arrived once again for such accomplishment, and once again the government has its carefully considered plan. In a democracy the essential economic factor is competition. The competitive spirit has brought the minerals from beneath the surface of Canadian soil, built Canadian cities, planted Canadian wheat fields, constructed roads and waterways. It follows, then, that the introduction of another and competitive fuel will stimulate our economy still further. It will lead to the further use of our ingenuity and skill. It will promote economic expansion in all its phases.

The proposition is simple. Natural gas is available in almost unlimited quantities in Alberta; the potential customers are for the most part concentrated in Ontario and Quebec. Therefore the need is to get the gas to the customers. Because of the difficulties of distance and geography, it will cost $375 million to build a pipe line across Canada. That is a great deal of money, so great in fact that it has apparently frightened our major Canadian investors out of their financial wits. The same thing happened in the early days of the Alberta oil fields. Anyone with $8 had a chance to get in on the ground floor there, but most Canadians were looking the other way, with their $8 pinned inside their pockets. Consequently the exploration and exploitation of Alberta oil had to be undertaken by United States capital and with the help of American technical knowledge and experience. The inevitable result is that the profits of American enterprise are now going to Americans, but no one has suggested that this is a national disaster.

The same situation exists with regard to Alberta natural gas. If Canadians had come forward with a satisfactory proposal, Canadians would now be building the trans-Canada pipe line. Since no Canadians did come forward, the government had no choice but to accept the offer of interests in the United States.

Is this not a prime illustration of democracy at work? The Leader of the Opposition does not think so. The Leader of the Opposition, who insists that his party, and his party alone, is the last outpost of sturdy free enterprise, refuses to recognize—

The Acting Speaker (Mr. Applewhaite): I am sorry to have to interrupt the hon. member, but it is my duty to tell him that his time has expired.

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Hamilton (Notre Dame de Grace): By the sounds that are coming from the other side, they are not all seals over there. There are some other types of animals. There are a number of bulls and horses over there.

An hon. Member: You have goats on that side.

Mr. Hamilton (Notre Dame de Grace): But I wish they would restrain their enthusiasm for just a few minutes so one could put forward a few ideas in connection with this bill. I realize that perhaps it is embarrassing to members of the government to have these arguments put forward. I realize that once closure has been introduced it is very much in their interest to harass, to rile and to make these cat-calls, but the time is getting toward twelve o'clock, and whatever time they can bring themselves to give me I shall be content to have.

Referring to the hon. member for Mount Royal, who just finished his speech—

Mr. Ellis: Reading an essay.

Mr. Hamilton (Notre Dame de Grace): —I must say that I attempted to follow him as well as I could. I think he established one small record for my time in the house. I have heard before now in the house speeches which I felt were being read, but this is the first time I have ever seen any member in the house construct his own lectern in front of him, composed of a couple of volumes of *Hansards,* to keep his speech up off the desk so he could read it.

Mr. Pickersgill: What has the hon. gentleman in front of him?

Mr. Hamilton (Notre Dame de Grace): I challenge the hon. member for Mount Royal to take those so-called notes he had there and send them over to any member of the press gallery and let them compare those notes with what went down on *Hansard* so that we can see what difference, if any, there is. It is my personal opinion that, with the exception of one or two words, there will be no more difference—

An hon. Member: Make the same challenge with the hon. member for Three Rivers.

Mr. Hamilton (Notre Dame de Grace): The hon. member for Mount Royal, toward the close of his remarks, made one statement to which I would just like to refer for a moment. I took it down quickly. As I remember it, he said that if Canadians had come forward with a satisfactory proposal, Canadians would be doing this job. I think that is a fair interpretation of his remarks.

I do not think we can remind this house too often that we have before us, filed after it was eventually turned out of the pockets of the Minister of Trade and Commerce or wherever he keeps his documents, a complete presentation by a Canadian named McMahon in which he sets out how he plans to build this project, sets out the source of supply for his pipe, and engages himself firmly to back his judgment with $500,000 of his own money as a bond which will be sacrificed if he does not perform. That, Mr. Speaker, is exactly $500,000 more than Mr. Murchison or anybody else interested in Trans-Canada Pipe Lines is putting up as a guarantee that their judgment is right or that they are going to be able to do this job.

An hon. Member: That is not true.

Mr. Dickey: Eight million dollars.

Mr. Hamilton (Notre Dame de Grace): Having dealt with at least that one point in the hon. member's speech, may I say that I listened carefully, Mr. Speaker, and I feel that not too many of the others, if any, bore directly on the pipe-line debate.

I should like to remind the house again of something which I think the government at least seems to have forgotten. This is not a mere single pipe line which is being constructed. This approach to the problem at this time is going to establish a basic definitive policy for the transportation of gas in Canada for all time to come. It is a historic breakthrough in that connection. It is not an isolated example. It is establishing a basic policy. Therefore when we consider this matter we have to look at it not in the light of a single isolated example, not in the light of particular geographical or local interests, but in the light of the future policy of Canada and the future development of this country.

Within that framework, Mr. Speaker, I think it is pretty generally agreed that if a country is to grow, prosper and develop, then control of its own economic interests must rest within its own borders. In that respect there is nothing wrong with the investment of foreign funds in a country. That is a good thing. But there is something radically wrong with foreign control of a country or foreign control of any major economic field in that country. That is bad. I suggest that as a touchstone in this whole matter, as a basic approach to it, we should be seeking something which will give us the maximum foreign investment needed in Canada with the minimum foreign control.

I suggest to you further, Mr. Speaker, that this particular bill is a complete reversal of that process. It gives us, as far as I can see, a minimum of foreign investment with a maximum of foreign control and is completely abhorrent to the other proposition I put forward, which I certainly think is in the best interests not only of the economy of Canada but of the economy of any country.

If we are going to encourage foreign investment in Canada it is certainly necessary that we know the fields in which this should be done, and I suggest that transportation is one field in which, while possibly welcoming investment, we should fight against control.

I think one can put forward in support of that argument something that one might call the vital industry theory. I suggest that there are the usual two breakdowns of any country's economy, the primary, which is the extraction of raw materials, and the secondary, which is their production into finished goods. But I suggest that beyond these two fields there is a third field of economic endeavour which we might call vital industry. That field can be broken down into three essential divisions, the banks and finance, because without finance we cannot build; energy supply, because without energy we cannot produce; and transportation, because without transportation we cannot market.

To date we in Canada have been fortunate in that our banking enterprises have developed as Canadian enterprises and under Canadian control. Our transportation, rail particularly which is the base but air lines and steamships as well, has again developed either under Canadian control or completely in Canadian hands.

Mr. Lesage: What about the C.P.R.?

Mr. Hamilton (Notre Dame de Grace): We have a system that is competitive with the C.P.R., Canadian National Railways, and as long as you have one particular company in a field—

Mr. Lesage: You are changing your story.

Mr. Hamilton (Notre Dame de Grace): —which is of major importance and which is under the control of Canadians we do not need to worry too much about what happens to the other competing interests in that field. But we must have first and foremost one Canadian operation in every one of these fields.

Having said that, I turn to the supply of energy, and here we find that while we have been reasonably successful in retaining control of some energy sources, coal, electric power and atomic power, control and domination of the sources of supply in the petroleum and natural gas field has fallen into the hands of United States interests. Nonetheless we as Canadians are still able to control our destiny and our future in that field if we control the transportation of that particular source of energy, the way in which it moves from one point in Canada to another. However, if we do not control the movement of that particular source of energy we have sold out to foreign interests what is perhaps the most important source of energy to come to our modern civilization.

Regrettably, because of time limitations, I shall not expand upon why natural gas is such a vitally important source of energy. However, I do feel the point should be made that it is not just another minor source of energy but is perhaps the principal source that we are going to see put to use in the next few years. We only have to look at the United States for evidence of the explosive nature of this particular commodity in so far as the supply of energy is concerned.

We know, because these arguments have been introduced and have been buttressed on this side, that in the first instance the bill before us gives no guarantee whatsoever of construction of this pipe line. Why, Mr. Speaker, in the agreement there are 27 escape clauses. They range from acts of God at the beginning down to wars and washouts at the end, and if ever there was a washout it is this bill as presented by the government.

I am being polite tonight, Mr. Speaker. I have restricted myself, and perhaps one good reason for 20 minute speeches is that they cut out some of the nicer things one could say to the government benches.

Mr. Pickersgill: Has the hon. gentleman lost his place?

Mr. Fleming: You have lost your way.

Mr. Hamilton (Notre Dame de Grace): Second, we also know that the bill proposes to use the Canadian taxpayers' funds to subsidize United States interests.

Mr. McIlraith: Not to subsidize; use better language than that.

Mr. Hamilton (Notre Dame de Grace): If some of these interrupters from the other side will stand up and make their own speeches instead of making these interjections, those of us on this side will be very glad to hear them. I repeat, the purpose of this bill is to use government funds, taxpayers' funds, for the subsidization and assistance of United States interests who propose to build the pipe line.

Mr. McIlraith: That is not an accurate way of stating it.

Mr. Hamilton (Notre Dame de Grace): Does the house realize, and particularly does the government realize, that we are in the process of building the biggest monopoly in a tremendously important field that this country has ever seen? The reason I suggest that to you, Mr. Speaker, is this. One of the principal companies controlling the source of natural gas in Alberta is the Canadian Delhi Oil Company, and Mr. Murchison is the president. The largest single shareholder in Trans-Canada Pipe Lines is the Canadian Delhi Oil Company, and Mr. Murchison is president. In other words, here is something we have never seen to my knowledge in Canada before. We are not only turning over control of the pipe line to a United States corporation and a United States financier, but we are enabling him to integrate this trans-Canada pipe line into a system of supplying natural gas which he has already built up, so that immediately this bill goes through and he gains control, we will have a continuous flow from deep within the ground right down to the companies that consume it, all under the control of this single individual.

Mr. Pickersgill: Surely this has been more than 20 minutes.

Mr. Hamilton (Notre Dame de Grace): No, but the facts make it sound longer when they are embarrassing.

I ask the Minister of Trade and Commerce why on earth it is necessary to build a 34-inch pipe line from Alberta down to the Winnipeg border. I wonder if he knows, for example, that 34-inch pipe lines are almost unheard of even in the United States where they are servicing great cities. The "big inch" pipe line, which is one of their most important transportation units for natural gas, running from Texas—

Mr. Howe (Port Arthur): Natural gas? The "big inch" was built for oil.

Mr. Hamilton (Notre Dame de Grace): The "big inch" was built for oil, but there has been gas running through it for the last seven years.

Mr. Howe (Port Arthur): But it was not the "big inch" any more when they put gas through it.

Mr. Hamilton (Notre Dame de Grace): It is the "big inch" pipe line to which I am referring. The minister need not try to confuse the issue, because if he knows what the situation is he knows it is being used as one of the principal sources of supply for the city of New York, bringing gas from Texas. He knows it is a 24-inch pipe line.

Mr. Howe (Port Arthur): He knows that it is not the principal source of gas supply for New York.

Mr. Hamilton (Notre Dame de Grace): New York, which has within its boundaries as great a population as we have in all eastern Canada, or almost in Canada, is satisfied with a 24-inch pipe line. Pipe lines throughout the United States are 16, 20 or 24 inches in the majority of cases. We are proposing to construct a 34-inch pipe line from western Canada to Winnipeg, and a 30-inch pipe line from Winnipeg east.

Mr. Howe (Port Arthur): I hope no one is taking you seriously on that information.

Mr. Hamilton (Notre Dame de Grace): This is contrary to every construction practice in the pipe-line industry that I have been able to discover. They prefer to build their pipe lines of a smaller diameter, and then repeat the process by looping them if and when necessary.

In conclusion, Mr. Speaker, let me leave on the record one last observation, and it will not be my own. It is an observation of the Toronto *Daily Star* and appeared in the issue of March 17, 1956. In the last paragraph of the editorial they say, and I must say I agree with them:

> The Trans-Canada deal is so bad that it deserves to be laughed out of parliament. But with the government standing pat, and the Liberal majority evidently ready to fall into line, it is no laughing matter. The stage is being set for a Canadian tragedy.

Mr. Donald D. Carrick (Trinity): Mr. Speaker, although it is late in the evening—

Mr. Nicholson: Early in the morning.

Mr. Carrick: Early in the morning, my friend has corrected me quite accurately, and this is the 65th address in the debate on this proposed legislation, I hope I will be able to add something to what has been said already.

In the course of this debate the position of the various parties has become transparently clear. The C.C.F. position from the first has been the support of public ownership of the line to transport gas across Canada. They brook no compromise with that position; it is outright public ownership. The position the Conservative party has now taken is that there should be a reference of this matter to a committee in order to determine whether the line can be financed by Canadian capital, and if it cannot then there should be public ownership. The position of the Liberal party, of course, is that this line should be constructed by Trans-Canada Pipe Lines.

In the course of this debate, when the house has been sitting long hours and when feelings have been strong on the issue, there have been many things said, attacks upon people, which I think will not commend themselves to the judgment of many of the electors. I do not propose to indulge in any way in that type of debate. I believe the facts in this case are so eloquent that if they are only stated to the people they will agree that the solution adopted by the Liberal government is the only possible solution under the circumstances. May I just remind hon. members that Trans-Canada Pipe Lines was incorporated in 1951, and Western Pipe Lines at about the same time. In 1953 when they applied to Premier Manning of Alberta for permission to export gas from Alberta, Mr. Manning said that neither, independently, was qualified, and he asked the Prime Minister if he would use his good offices to bring these two companies together.

The Minister of Trade and Commerce undertook that task and in January, 1954, he brought together the people who had backed Trans-Canada Pipe Lines and Western Pipe Lines Limited. The result was that this company, made up of new interests as well as

the old but retaining the old name, made application to the premier of Alberta for permission to export gas from Alberta. I think, technically speaking, the application was made to the petroleum board of Alberta. In any event, permission was granted to Trans-Canada to export 500 million cubic feet daily from Alberta, of which 200 million cubic feet could be exported to the United States via Emerson and they were obliged to reserve 300 million cubic feet for Canadian use. I need not recall the debates that took place in this house when all parties were agreed that the trans-Canada pipe line should run through an all-Canadian route.

Following permission to export gas from Alberta, Trans-Canada Pipe Lines obtained permission from the board of transport commissioners to lay their pipe across Canada. They also proceeded to make arrangements with the suppliers of gas in Alberta, and they proceeded to arrange for the distribution of gas to the consumers. I believe that Trans-Canada does not deal with the consumers directly; it deals with distributing companies. The result was that in 1954 Trans-Canada was in a position where it could try to arrange its finances.

After investigation it found that it could not successfully finance the project under the set-up that existed at that time. It was not economically feasible; therefore an application was made to this government for help. The government refused to guarantee bonds, as was first requested, to be issued by the Trans-Canada company. The company then made application to the industrial development bank, but the terms laid down by the bank were such that they could not be accepted by the Trans-Canada company.

That brought the company up to 1955. In that year it made arrangements with Tennessee Gas Transmission Company to sell 200 million cubic feet daily in the Minneapolis market via Emerson. If it had been able to make those sales Trans-Canada was confident that it would be able to finance the line. As hon. members know, the right to transport and sell gas in the United States depends upon the permission of the federal power commission. The opponents of the backers of Trans-Canada opposed the application before the federal power commission. Northern Natural Gas Company had previously a contract with Trans-Canada and they spearheaded the attack before the federal power commission, as a result of which no decision has been given by the federal power commission.

It was under those circumstances that the Trans-Canada company approached the government, and the result is the proposal we now have before the house. It proposes that Trans-Canada construct the line from the western end of Alberta to Montreal, Quebec, and that the western section be financed to the extent of 90 per cent of the cost, not to exceed $80 million, by the government. The western section is to extend from Alberta to Winnipeg. Trans-Canada is to construct the line from Winnipeg to the western boundary of Ontario.

Under the proposal the federal government, together with the Ontario government, is to construct the line from the western border of Ontario to Kapuskasing, Ontario, at a cost of $118 million, and Trans-Canada is to carry the line from Kapuskasing, Ontario, down to Toronto and to Montreal, Quebec. This is the proposal now before the house.

The position of the Conservative party is that Trans-Canada should not be assisted as long as there is a possibility of the project being financed from Canadian capital. Anyone who has perused the documents of Mr. McMahon tabled by the Minister of Trade and Commerce will see, as has been mentioned on a number of occasions in this house, that they involve a condition which makes it absolutely impossible for the government to accept the proposal. The necessary condition of that proposal was that 400 million cubic feet daily be exported to the United States via Minneapolis, which would leave only 100 million cubic feet daily available for the Canadian market, which is only one-third of the requirement of the Canadian market.

The only other proposal put forward was put forward by Gairdner and Company. Their proposal was inadequate because, among other things, they asked for a 10-year exemption from income tax. That was unacceptable to the government. Even in their last letter they said that they might be able to eliminate that on certain conditions, but they did not say what the conditions were. Besides, the government were not satisfied, in spite of what they said, that Gairdner and Company could get the pipe.

I do not think it has been mentioned in the house that Gairdner and Company contemplated constituting a corporation in which Trans-Canada was to have a part of the equity. One needs only to state that to hon. members to indicate how impossible it would be for Gairdner and Company to make any such arrangement. So the net result was that there was no Canadian company that could possibly finance this project. The fact has been mentioned often that the only company that has pipe available to start construction in 1956 is the Trans-Canada company.

Now, it must be obvious to everyone that in these circumstances there was only one company available to carry on this project. It may have come as a surprise to some hon. members to see the urgency that was established by the evidence in the letters of Mr. Manning, premier of Alberta, and of Mr. Campbell, premier of Manitoba, and of Mr. Porter, treasurer of Ontario. Anyone reading those letters could have no doubt whatsoever why it was absolutely necessary to get the western end of the pipe line constructed this year. That was the situation in which the government found itself.

I would like to submit for the consideration of the house some suggestions in connection with the charge that has been made that the Canadian taxpayers' money should not be used to finance Trans-Canada because at the present time it is about 83 per cent controlled in the United States. I think all hon. members will agree with me that all parties in this house are in favour of importing capital from the United States. The Leader of the Opposition has made it quite clear that when he was premier of Ontario he took steps to see that this was done, and all parties are agreed upon that. I think all parties will agree that if imported capital is to be brought in from the United States, that capital is entitled to a fair return on its money.

I point out this fact to hon. members. What the government is doing in helping Trans-Canada in connection with the northern Ontario sector and in connection with the western section is to enable Trans-Canada to construct this pipe line and arrange its financing. This is the important point. It has been established that Trans-Canada will need to raise $257 million in order to construct this line in Canada. Well, that $257 million can be raised only in two places. It can be raised either in Canada or in the United States. If it is raised in Canada everybody is in agreement that it is a good thing; and if it is raised in the United States everybody is in agreement that it is a good thing because it imports capital into Canada. Under these circumstances, how can there be any reasonable objection to the proposal that the government makes to help the Trans-Canada line?

I wish to deal for the moment with the charge that this is a sell-out of Canada's natural resources. The owners and the large suppliers of gas in Alberta include Canadian Gulf, which owns about one-third of the supply and is the largest owner. I am now refreshing hon. members' memories on certain facts given by the Minister of Trade and Commerce. Hudson Bay Oil and Gas is the second largest owner and Canadian Delhi is the fourth. At the present time these three companies are backers of Trans-Canada to the extent of 58·9 per cent. In other words, the backers of Trans-Canada are merely trying to a large extent to sell their own gas. I ask hon. members in all fairness in these circumstances how it can be suggested that any group of persons who are trying to sell what they already own are selling out the natural resources of Canada?

A great deal has been made of the monopoly position of this company. I do not want to embark on a discussion of monopolies or the policy of this government as laid down under the Combines Investigation Act. I point out to hon. members, however, that under the Combines Investigation Act there is nothing wrong with being a monopoly. It is only when a monopoly operates or is likely to operate to the detriment of the public that there is anything objectionable to it. I think it would be a very difficult task to prove that the Trans-Canada Pipe Lines company, with its rate of profits which can be controlled by the federal government and with the price the distributors can charge to the consumers controlled, would be acting in a way that is detrimental to the Canadian public.

Mr. Speaker, time alone will prove whether or not the legislation before the house is in the interest of Canada. I am confident that time will vindicate the judgment of this government and that the trans-Canada pipeline project will stand as a monument to the courage, foresight and wisdom of this government and the great Liberal party of Canada.

Mr. A. M. Nicholson (Mackenzie): Mr. Speaker, I am very happy to find all the hon. members in such good humour so early in the morning. My first remarks must be directed to some of the problems affecting the province of Saskatchewan. I want to pass over the references made by the Minister of Agriculture and the hon. member for Rosthern; one expects from them the sort of nonsense they presented to the house. The hon. member for Rosthern went back to Saskatchewan and tested public opinion on two occasions. The alternative he presented was Tucker or tyranny. Well, the people did not choose Tucker and I think even he would not suggest that the people of Saskatchewan chose tyranny or have had tyranny.

However, I am sure hon. members were somewhat surprised tonight to hear the hon. member for Moose Jaw-Lake Centre (Mr. Thatcher) make his assault on public ownership. I am sure hon. members in all sections of the house will agree we have not changed our fundamental principles since we came here. I am sure, too, hon. members are curious to know why the hon. member for

Moose Jaw-Lake Centre joined the C.C.F. party and why he stayed so long in the party when his views were those he expressed tonight.

I want to say if the hon. member knows as little about the business of hardware as he knows about the subjects he discussed tonight, the Moose Jaw hardware and Allied hardwares are in for rough weather. The hon. member stated that the people of Saskatchewan have no alternative but to sell lumber through the crown timber board. That is nonsense and if the hon. member knows anything about Saskatchewan he knows that any citizen in Saskatchewan who has timber on his land can sell his timber where he likes and at whatever price he can get. The hon. member should know that The Pas Lumber Company—although we have a very interesting Indian name, it is one of those companies with head offices in Minneapolis—has sold 200 million feet of lumber in the last ten years.

The government of Saskatchewan honoured the agreement which was made prior to 1930 when the natural resources were alienated by the federal government of that day before turning over the property to the government. This company has had the best timber in the province. It was in the most favoured freight rate area, and it sold most of its cut in the United States, as might have been expected. At the same time, when The Pas Lumber Company was paying $1 million for the best timber in the province the timber board was contributing to the treasury of the province $3 million in royalties in that period, and $3 million in profits. In other words, $6 million was paid by the crown corporation for harvesting the scattered lots of timber all over the province.

The hon. member for Moose Jaw-Lake Centre referred to the fur marketing service and said it was compulsory to sell fur to the marketing agency—

Mr. Pickersgill: What has this to do with the bill? We are tired of the Saskatchewan elections.

Mr. Nicholson: The hon. member for Rosthern and the Minister of Agriculture and the—

Mr. Pickersgill: Yes, but it gets boring after a while.

Mr. McCullough (Moose Mountain): You look after your babies.

Mr. Nicholson: The hon. member for Moose Jaw-Lake Centre who took time during this debate when he had nothing more useful to do than talk about these things—

[Mr. Nicholson.]

Mr. Pickersgill: Mr. Speaker, on a point of order, I submit, sir, that there are members elected to this house from nine other provinces besides the province of Saskatchewan and this bill has nothing to do with the Saskatchewan provincial election.

Mrs. Fairclough: Why did you not tell that to the hon. member for Rosthern; it was all right for him to bring it up.

The Acting Speaker (Mr. Applewhaite): Order. I do not want to spend any more time than I have to on points of order. In view of the nature of the speech made by the hon. member for Moose Jaw-Lake Centre in which he used a large number of examples to demonstrate the argument he was making that public ownership was not the solution to the present problem, I think the hon. member who has the floor might be permitted to reply; but I would advise him to bring his reply into line with the general argument and not to discuss matters that do not relate to the bill.

Mr. Nicholson: Mr. Speaker, I must remind you that we are now under closure. I have only 20 minutes in which to reply, and I hope the interruptions of the Minister of Citizenship and Immigration will not further reduce my time.

Mr. Pickersgill: I am also a member of this house and I do not take anything like the amount of time the hon. member takes. We get very tired of your box cars.

Mr. Dufresne: Go and have a good sleep. It is about time for babies to be in bed.

Mr. Cameron (Nanaimo): Who cares how tired you are?

Mr. Nicholson: I suggest that the Minister of Citizenship and Immigration go home to bed if he is too tired to discharge the duties for which the taxpayers of Canada are paying him $27,000 a year. If he is too tired to listen he can go home to bed, because we can get along very well without him.

Mr. Pickersgill: I have spoiled that speech for circulation anyway, and that was my main objective.

Mr. Dufresne: Go and put the babies to bed.

Mr. Pickersgill: This speech will not be of any use to send out to your constituents now.

Mr. Nicholson: I was going to make a reference which would give the government a little comfort. Mr. C. M. Fines, the provincial treasurer of Saskatchewan, in his budget speech admitted the fact that we have some problems in connection with

public ownership in Saskatchewan. He referred to the fish board, the shoe factory, the tannery and the woollen mill. He said that in spite of that the experience in public ownership in Saskatchewan in the last 12 years has given us a record of achievement that no political party in Canada is going to challenge on June 20.

Mr. Tucker: Why didn't they build the cement plant under public ownership?

Mr. Nicholson: I shall not take time to deal with that.

Mr. Tucker: Just tell us why.

Mr. Nicholson: I want to say—

Mr. Ellis: You voted against the cement plant.

Mr. Tucker: I did not vote against it at all.

Mr. Ellis: You try to sabotage everything we do.

Mr. Tucker: Tell us about the cement plant and why you did not establish that under public ownership?

Mr. Charlton: What about your success out there?

Mr. Nicholson: Mr. Speaker, Mr. Fines, our provincial treasurer, admits that we have had certain problems in the province of Saskatchewan; but in spite of that the government airways, the forest products, the government insurance office, the government fur marketing agency, Saskatchewan minerals, Saskatchewan government printing, Saskatchewan transportation, Saskatchewan power corporation and Saskatchewan government telephones have all had enviable records and have returned to the people of Saskatchewan a very substantial return on their investment.

The hon. member for Moose Jaw-Lake Centre complained about our compulsory automobile insurance. I have here my registration certificate which shows that I paid $20 for compulsory insurance and $15 for my licence. We take the view in Saskatchewan that it is equally important to provide protection for the people of the province who are injured by automobiles as it is to provide licences. For the payment of $40.50 I have a policy with $50 deductible which compares with the policy that would cost me $100 in Ontario. In other words, the motorist in Ontario pays as much commission to the agent who writes his insurance as I pay for the insurance on my automobile.

An hon. Member: What about the pipe line?

Mr. Pickersgill: Sit down and let someone talk about the pipe line bill.

Mr. Nicholson: Mr. Speaker, over the week end I went up to my old home in Bruce county and a 14-year old school girl—

An hon. Member: We are not on divorces now.

Mr. Harris: I am sure that hon. members would like to hear what the hon. member for Mackenzie is saying, whether or not it would be in order. If he completes his remarks at about a quarter or ten minutes to one or thereabouts, it will mean only 20 minutes for the record. Even if his remarks do relate to matters in Saskatchewan rather than to the pipe line I suggest that perhaps our affairs this evening might be finished sooner if he were permitted to continue without interruption. Then those who support him will feel that he has done something for their cause and those on this side will feel the same.

Mr. Nicholson: Mr. Speaker, I must thank the Minister of Finance for his interjection. I felt that I was in order in view of the hearty applause received by the hon. member for Moose Jaw-Lake Centre who went a considerable way in his references to Saskatchewan. This 14-year old girl who lost her father—

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Applewhaite): I am willing to assume that the hon. member is starting a sentence which will conclude with a reference to the pipe line, and I would request hon. members to proceed on the same assumption and permit the hon. member for Mackenzie to speak.

Mr. Nicholson: Mr. Speaker, this 14-year old school girl, whose father gave his life for Canada before this girl was one year old—her father was an eye specialist, who had spent three years in post-graduate training before he gave his life for Canada—asked me, "Are we going to give away this valuable natural resource to the Americans?" I submit that a great many people are not aware of the fact that opposition members cannot do everything. I had to explain to this school girl that I was only a member of the opposition. But it was interesting to note that in old Bruce county, where so many people have been Liberals for so many years this girl by the name of Mackenzie who had never heard about the C.C.F. was disturbed at the prospect presently before Canada.

Sir Wilfrid Laurier was one of my heroes when I was a lad, and he felt that closure was most unbecoming in this Canada of ours. He said:

> But, sir, I also have the honour to belong to the great Liberal party of Canada. I have occupied

a position of some importance in it; nay, I may say that for twenty years and more I have been entrusted with its chief command. During the fifteen years I was in office it sometimes happened that friends came to me and told me that I was not doing justice to myself and to the party, but that I should impose closure, as had been done in many other parliaments. Sir, I am a Liberal of the old school; I have been brought up in the school of Fox and of the old leaders of the Liberal party; and I could not bring myself to the point of depriving a minority in parliament of such a valuable weapon as it would be deprived of by the introduction of closure.

And then later:

Let me repeat to my right honourable friend: As you sow, so shall you reap; as you are fair, so shall you meet with fairness; as you are unjust, so shall you meet with injustice. . . . The poison that he offers to us today will come to his own lips at some future day. We are in the minority; we can be gagged; we can be prevented from expressing our opinions; they can trample upon our rights; sir, the day of reckoning will come, and it will come as soon as we have a dissolution of the present parliament.

I submit that the performance we have witnessed here is unbecoming to any democratic country. The government has been unwilling to allow us to discuss this question at sufficient length, as is indicated by the interruptions I have had during the major part of my time tonight. I was simply trying to reply to remarks which were in order when the Minister of Agriculture was on his feet, when the hon. member for Rosthern was on his feet, and when the hon. member for Moose Jaw-Lake Centre was saying everything that was so pleasing to the government.

The proposal to build this pipe line under public ownership really would not place any strain on the resources of Canada, and no one knows this better than the Minister of Trade and Commerce. This is the minister who developed T.C.A. at a time when private enterprise was not prepared to put risk capital into such an uncertain venture. I remember when the Minister of Trade and Commerce got $50 million from the public treasury for Polymer. The large rubber and petroleum companies might have been expected to put in risk capital, but when we lost our source of natural rubber the Minister of Trade and Commerce risked his reputation and risked $50 million of the money of the Canadian people to try out this new process for the manufacture of rubber. I think the experience we have had in those two fields should demonstrate that this important development should be undertaken from the beginning under public ownership.

I know the problems of management that we have had in Saskatchewan. The Minister of Trade and Commerce knows that he has trained a great many young people in his department who have been picked up by private enterprise and paid double the salaries he was able to pay. That is a matter of real concern to every cabinet minister in this house. That is the retaining in the public service of some of our best people when such large salaries are being offered by private enterprise, when the corporations which pay these high salaries can dip into the public treasury by means of the corporation tax to compel the taxpayers to pay salaries which are sometimes three or four times as high as these men would have had in the public service.

So I suggest that the government should face up to the fact that it cannot ask the people of Canada to bail out a corporation of which 83 per cent is controlled south of the border when they are unwilling to risk more than a very small percentage, and when they refuse to move unless they are guaranteed that they will have the taxpayers of Canada run the real risks.

Mr. J. H. Dickey (Halifax): Mr. Speaker, in rising—

Some hon. Members: No; sit down.

Mr. Speaker: Order. What is the order now? I just came to the chair.

Mr. Richardson: May I move that the hon. member for Halifax be now heard?

An hon. Member: No.

Mr. Ellis: You have closure already. What more do you want?

Mr. Speaker: If the motion of the hon. member for St. Lawrence-St. George is to be proposed, it is one of those motions that must be put forthwith. If it is to provoke a division, then the time that is being left now will not be used by anyone. I would suggest to the hon. member that he would do well to withdraw his motion, if he has unanimous consent. Is that agreed?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: According to the record here, prior to the hon. member for Mackenzie, the hon. member for Trinity had spoken. Prior to him the hon. member for Notre Dame de Grace, and prior to him the hon. member for Queens and the hon. member for Digby-Annapolis-Kings—

Some hon. Members: No. The hon. member for Mount Royal.

Mr. Speaker: Of course this matter could be easily settled. There is a possibility of 45 minutes left—

Some hon. Members: No.

Mr. Speaker: Fifteen minutes; but if the hon. member for Middlesex East were to conclude at one minute to one, the hon. member

for Halifax could rise at one minute to one and speak for 19 minutes. Is that agreed?

Some hon. Members: Agreed.

Mr. H. O. White (Middlesex East): Mr. Speaker, this is a rather historic occasion. It is 24 years since closure was last used in this house. I would point out that the history of closure has shown that it has not been a profitable course to follow. People generally look on it as a way of stopping free speech and as a way of circumventing parliament and the people; consequently they view it with a certain amount of alarm.

Changing the subject, I want to say something about the pipe line. There are a few questions that could be asked the government by the people as to just what is going on. One of the questions they are almost certain to ask is why the unseemly haste, when five years have elapsed since the granting of the charter to this company and their time has been extended from time to time. If there was all the urgency that the government would now like to convince parliament and the people exists, why did they not do it the first time the company defaulted some three years ago, and not wait until four months after parliament had convened to urge upon us that there was some emergency?

There is an answer behind this activity, too. Governments, whether they be paternal, autocratic, totalitarian or democratic, are not eternal. Therefore, in this government's lifetime, this line must be built for its friends. That is the motive behind this unseemly haste during the past few days. The question arises, who are the people that are actually behind this Trans-Canada Pipe Line company? They are primarily—not entirely, but primarily,—those Americans who now own and control the gas resources in Alberta.

Then there is another question that should be asked. What about Canadian markets? There is a very strange silence at that particular level. Apparently there is a wait and see attitude in the municipalities, towns and cities. There is one answer, however, that is obvious; and that answer is that the consumer will not buy unless it is sold at a competitive price. I would say from my talks with residents in Ontario that I cannot find any pronounced demand and enthusiasm or any crying need for immediate gas supplies. As a long-range proposition, I would say yes without hesitation; but even then there is a question mark in my mind. Will the atomic age make the gas pipe line obsolete just as the atomic age and the age of the airplane made the Maginot line in Europe obsolete?

Then another question arises. The company having assured the parliamentary committee that there was abundant financing available without any difficulty, that there were abundant supplies of gas and there was an eastern market and, above all, that there would be a Canadian line, what do we find? We find that until the federal power commission in the United States grants permission for the importation of Canadian gas into the United States the Trans-Canada company is not interested in proceeding. We find also that the original intention of the company, though well disguised, was not to supply eastern Canada but to supply a lucrative market south of the border.

So, after five years of jockeying for position, where do we find ourselves? Trans-Canada Pipe Lines have so manipulated the course of events that the Canadian people are being forced by the government under closure and threat of further closure to finance in large measure a privately-owned pipe-line venture largely for the direct benefit of a small number of United States interests holding vast supplies of Canadian gas.

Then there is another question. Will eastern Ontario and Quebec consumers benefit? I would say not appreciably, because the gas will be sold at the highest competitive price at which it can be sold. Then there are other considerations. As far as I can find out, no cities and towns have evinced publicly any great desire to secure western gas, and it is quite within the realm of possibility and, in fact, I would say it is more than likely that Canadians will be asked to subsidize this line further after it has been completed so that the price of gas in the east can be made competitive with the prices of other fuels. I think this matter should be very seriously considered. I can see deficits and further votes of public funds might well be the order of the day for parliaments of the future, maybe for years to come.

As far as the western leg of the line from Alberta to Winnipeg is concerned, I can understand and appreciate the interest and desire of those provinces to have the line completed at the earliest possible moment. I can see where it is a great asset to those western provinces, but once again I ask: Why should the province of British Columbia, all of the province of Quebec beyond the city of Montreal and the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland have any enthusiasm for such a project?

Mr. Johnston (Bow River): How about the St. Lawrence seaway?

Mr. White (Middlesex East): That is a different proposition.

Mr. Johnston (Bow River): All the other provinces have to contribute toward it.

Mr. White (Middlesex East): That is for the marketing of your western grain. Why should the maritimes be enthusiastic when the federal government has not been able to assist the maritimes with projects that have been on the drawing boards for many years and which have been promptly forgotten after every election? No farmer in the provinces of Quebec and Ontario and no person in the small communities or towns off the main line will benefit directly from the pipe line. It is worth noting that the province of Quebec has abstained from any participation in this questionable undertaking, and no one in the government has given any indication of what the delivered price will be in central Canada.

Then there are some other angles that should also be considered. Probably not many Canadians are aware of the fact that during the second great war thousands and thousands of users of gas were deprived of fuel because the Americans refused supplies to the southwestern Ontario region, particularly the city of London. During the war thousands of people had to remove the gas equipment from their furnaces and reconvert to some other fuel.

When the chips are down, Mr. Speaker, the Americans do not hesitate to look after their own interests first. Whether it be a gas line, whether it be tariffs or trade relations, the United States of America comes first on every occasion. The question arises whether we are prepared to subsidize private interests. I rather think we should not. But I believe Canadians are prepared to subsidize, if necessary, Canadian ownership, however distasteful it may be, rather than see the line owned and controlled by United States interests. It is my opinion that it is better to guarantee bonds sold to Canadians than to guarantee profits to Americans.

There is another question I want to bring to the attention of the house. I cannot support the C.C.F. amendment because it precludes all the other angles that we have sought to bring before a committee. I believe the line can be built by private industry and without the use of the taxpayers' money. Then there is another point. So far we have been talking about securing pipe in the United States of America. I understand a plant is under construction in Canada that will produce 34-inch pipe. If we were not in such a hurry we could use Canadian-made pipe and give employment to Canadian labour in the building of that pipe to be used in constructing a Canadian pipe line. But no, we are in such a hurry that we cannot even give these benefits to our Canadian people.

Mr. J. H. Dickey (Halifax): Mr. Speaker, I shall undertake not to detain the house but there was one specific point that in view of the speech of the hon. member for Nanaimo, I thought should be dealt with before the vote is taken. I had thought that the Prime Minister had dealt adequately this afternoon with the situation in so far as it applies to the option agreement covering the pipe, but it was obvious from the speech of the hon. member for Nanaimo that he did not understand the situation and perhaps other members did not.

The situation is very clear and very simple. As stated by the Minister of Trade and Commerce, and as disclosed by the documents which have been tabled in the house, the original option agreement was operative in favour of Trans-Canada Pipe Lines Limited on the granting of a favourable decision by the federal power commission with respect to the application for the import into the United States of Canadian natural gas. Those rights in favour of Trans-Canada are still in effect and can be exercised by Trans-Canada if events transpire in a way that they can be exercised. In other words, if the federal power commission were to grant a permit tomorrow, then under the original agreement Trans-Canada would still be in a position to exercise that option and get the pipe.

Mr. Hodgson: Yes, but there is a big if there—if, if, if.

Mr. Dickey: Now, what is the effect of the agreement of May 11 which was also tabled in the house and which was quoted this afternoon by the Prime Minister? The effect of that agreement is first of all to keep in effect the original option agreement operative as I have described, and the second effect is to create a new and additional right on behalf of Trans-Canada to exercise that option in the event that the government of Canada is, by the 7th of June, in a position to act under clause 1 of the agreement between Trans-Canada and the federal government dated May 8. This is a new right. It is a right in addition, and it is within the power of Trans-Canada to exercise that option whenever the notice under clause 1 of the agreement of May 8 is given.

Mr. Hodgson: There is a lot of doubt there too.

Mr. Dickey: If the situation were as described by the hon. member for Nanaimo and previously described by the hon. member for

Winnipeg North Centre, the effect of this agreement would be that the approval of the federal power commission is a condition precedent to the operation of both these options, which is not correct. There are two rights. There is the option to proceed on a favourable decision by the federal power commission, and there is the further option under the agreement of May 11 to proceed in spite of the federal power commission but on the basis of notice being given by this government under clause 1 of the agreement of May 8.

Mr. Knowles: Would the hon. member permit a question? Does the hon. member read the words "in addition to", as though they were "in spite of"?

Mr. Dickey: The hon. member misunderstands the meaning of an option agreement. An option agreement gives a right that can be exercised in certain circumstances, but it does not say that the right cannot be exercised in other circumstances. The situation under these agreements is as indicated in the house this afternoon by the Prime Minister that Trans-Canada under the agreement of May 11 has an option that it can exercise under the circumstances contained in that agreement, quite apart from the separate and prior option which is provided for in the original option agreement. I see the hon. member is trying to get to his feet to ask me another question. If he does not understand the situation I am afraid that I cannot explain it to him here in the house, because—

Some hon. Members: Oh, oh.

Mr. Cameron (Nanaimo): Has the hon. member read the letter of transmittal written by one of the companies which signed this agreement and written on the same day?

Mr. Dickey: Certainly.

Mr. Cameron (Nanaimo): Then has he noted the clause in which it says that clause 2 of the option agreement shall remain operative?

Mr. Dickey: Certainly, Mr. Speaker; that is what keeps in effect the right of Trans-Canada to exercise the original option.

Mr. Cameron (Nanaimo): It sets forth the terms under which it can be exercised.

Mr. Dickey: The hon. member is misunderstanding me either intentionally or unintentionally, I do not know which. The agreements and documents are crystal clear. There are two options and Trans-Canada is free to proceed and exercise its options under either one, whichever happens first. That is clearly the situation.

Mr. Knowles: Would the hon. member permit another question?

Mr. Howe (Port Arthur): No, this is not in committee.

Mr. Knowles: The parliamentary assistant seems willing. I shall not pursue the other question. The hon. member has not convinced me, but our position is on the record. May I ask him this question. If he now refers to this as an option agreement, how does he square that with his minister's statement that this was a firm contract?

Mr. Dickey: Because it is stated in firm terms.

Some hon. Members: Oh, oh.

Mr. Dickey: The terms which were put on the record this afternoon by the Prime Minister are, "hereby agrees to and shall assign to Trans-Canada and all such parties' interest and obligations in purchase orders..." etc, and it goes on to deal with the pipe. It says "shall" and not "may", which would be permissive.

Now, Mr. Speaker, I just want to call the attention of the house back to the commencement of the debate on the resolution which preceded this bill. At that time the Minister of Trade and Commerce stated, as reported at page 3860 of *Hansard* for May 14, 1956:

> The course of action the government proposes is based upon certain inescapable facts. The first of these is that if the western part of this pipe line system is not started this year it probably cannot be started before 1958. The second is that for the Alberta gas and oil producing industry, and for consumers eastward from Alberta to Montreal, 1958 or 1959 is uncomfortably far away for a start to be made. The third is that there is only one agency which can be placed in a position to build the western part of the pipe-line system this year.

Now, in more than four days of debate hon. members opposite have been trying to escape from those inescapable facts. The Minister of Trade and Commerce went on from the portion I have quoted to say that nothing that could be said in this house would change those facts.

I think the debate we have had amply justifies that statement. Those facts are before us. Hon. members opposite have spent many days of debate in trying to get around them, to escape from them, but they are inescapable. These are the reasons the government has brought this bill before the house. These are the reasons the members on this side will support that bill on second reading and right through third reading.

Northern Ontario Pipe Line Corporation

The house divided on the amendment to the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bryce
Cameron (Nanaimo)
Campbell
Castleden
Coldwell
Ellis
Herridge
Johnson (Kindersley)
Jones
Knight
Knowles
McCullough (Moose Mountain)
Nicholson
Regier
Stewart (Winnipeg North)
Zaplitny—18.

NAYS

Messrs:

Aitken, Miss
Anderson
Applewhaite
Ashbourne
Balcer
Batten
Bell
Benidickson
Bennett
Bertrand
Blackmore
Blair
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brooks
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardiff
Cardin
Caron
Carrick
Cauchon
Cavers
Charlton
Churchill
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Diefenbaker
Dinsdale
Drew
Dufresne
Dumas
Enfield
Eudes
Eyre
Fairclough, Mrs.
Fairey
Fleming
Follwell
Forgie
Fraser (Peterborough)
Fraser (St. John's East)
Fulton
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Green
Gregg
Habel
Hahn
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanna
Hansell
Hardie
Harkness
Harris
Harrison
Healy
Hees
Hellyer
Henderson
Henry
Hodgson
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Howe (Wellington-Huron)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lennard
Lesage
Low
Lusby
Macdonnell
MacDougall
MacEachen
MacKenzie
MacLean
MacNaught
Macnaughton
McBain
McCann
McCubbin
McCulloch (Pictou)
McDonald
McGregor
McIlraith
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Michener
Mitchell (London)
Mitchell (Sudbury)
Monette
Monteith
Montgomery
Murphy (Lambton West)
Murphy (Westmorland)
Nesbitt
Nickle
Nowlan
Patterson
Pearkes
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Rea
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Bruce)
Robinson (Simcoe East)
Ross
Rouleau
Rowe
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Small
Smith (Battle River-Camrose)
Smith (York North)
Stanton
Starr
Stick
Stuart (Charlotte)
Thatcher
Thomas
Trainor
Tucker
Tustin
Van Horne
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Hastings-Frontenac)
White (Middlesex East)
White (Waterloo South)
Winters
Wylie—210.

Mr. Speaker: The question now is on the amendment to the main motion. Those who are in favour of the amendment to the main motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to the amendment to the main motion will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Do hon. members consider that their members have been called in for the purpose of this vote?

Some hon. Members: No.

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—64.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—163.

Mr. Speaker: The question now is on the main motion. Mr. Howe (Port Arthur), seconded by Mr. Harris, moves that Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation, be now read a second time. Those in favour of this motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it. Call in the members. Do hon. members consider that their members have been called in?

Some hon. Members: No.

Northern Ontario Pipe Line Corporation

The house divided on the main motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cannon
Cardin
Caron
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—163.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—65.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise at this time under the provisions of standing order No. 11, which reads as follows:

> No member is entitled to vote upon any question in which he has a direct pecuniary interest, and a vote of any member so interested will be disallowed.

Under the provisions of that standing order, Mr. Speaker, I rise to challenge the vote just cast for the second reading of Bill No. 298 by the hon. member for Calgary South (Mr. Nickle). I am prepared to state the basis of my challenge, and I have under my hand the appropriate motion so that, if I understand the rules correctly, the proper procedure can be followed, namely that the decision can be left to the house.

May I say that I am sure the hon. member for Calgary South will agree with me that this is the type of matter that we should approach very seriously; for he himself said

on January 15, 1953, when he was criticizing the former Liberal member for Westmorland, as recorded at page 1053 of *Hansard* for that day:

> A member of parliament should be, like Caesar's wife, above suspicion.

I wish to make it perfectly clear that, as I understand the rules of the house, there is no question whatsoever as to the legal right of the hon. member for Calgary South, despite what I shall say in a moment, to speak as he has done on this legislation. For my part, I had nothing to do with any efforts to prevent him from speaking. It was his right to speak and he exercised that right. But, Mr. Speaker, the same rules make it quite clear that if one has a direct pecuniary interest in a measure he should not vote thereon, and if he does vote his vote should be disallowed.

The information on which I raise this point is found in documents which are matters of record. I refer to the Parliamentary Guide, and I also refer to the *Financial Post's* directory of boards of directors. One can ascertain from these documents that the hon. member for Calgary South is the president, the vice president or a director of at least nine oil, gas or pipe-line companies. I do not intend to take the time of the house, nor do I intend to confuse the issue, by reading the names of all the companies of which my hon. friend is president, a vice president, or a director, but I single out one in particular, namely Bailey-Selburn Oil and Gas Limited, of which my hon. friend is a director.

I find in the *Financial Post* survey of oils, 1956, that Bailey-Selburn Oil and Gas Limited has signed a contract with Trans-Canada Pipe Lines Limited to supply gas from the Buffalo-Bindloss field to the pipe line when operations commence. That fact, namely that this company of which my hon. friend is a director has a contract with Trans-Canada Pipe Lines to supply gas to that company when operations commence, is also indicated in the *Financial Post* for Saturday, December 24, 1955. The article I have in my hand, about half way down, indicates that in a list of Alberta fields dedicated to Trans-Canada there is the Atlee-Buffalo-Bindloss field, which is a holding of Bailey-Selburn Oil and Gas Limited.

I point out that this company is quite a substantial company, representing a merger of several other companies a few years ago, of one of which my hon. friend was a director before it was merged with Bailey-Selburn Oil and Gas Limited. I also find by referring to the publication "Oil In Canada", of which my hon. friend is one of the editors, in its issue of May 21, 1956, that Bailey-Selburn Oil and Gas Limited has increased its proven gas reserves by about 31·4 trillion cubic feet under the acquisition of all the shares of Selbay Exploration Limited.

It is my contention, Mr. Speaker, that the contract which this company, of which my hon. friend is a director, now has with Trans-Canada Pipe Lines Limited is, prior to the passing of this bill, just a piece of paper. When this bill is passed and Trans-Canada Pipe Lines Limited is put in a position to commence operations, that piece of paper becomes a document worth a great deal in terms of dollars; and it is because of that direct pecuniary interest that it seems to me the vote of the hon. member for Calgary South should be challenged.

I wish to repeat, Mr. Speaker, that no one is to interpret from what I have said any reflection whatsoever on the speeches the hon. member has made in this house on this bill or on the amendments. The rules provide for that. He had the right to speak and he has done so, and if anyone had prevented him from speaking I would have supported his right to speak. Bearing in mind his concern for the proprieties of parliamentary behaviour, as he expressed them when he spoke in this house on January 15, 1953, at a time when he criticized the former member for Westmorland, I am sure he will agree with me that it was a duty that did devolve on some member of this house to raise this point at this time.

Therefore, Mr. Speaker, at whatever point you deem it appropriate for me to do so, I am prepared to place in your hands a motion which I shall move, seconded by my colleague the hon. member for Assiniboia (Mr. Argue):

> That the vote of the hon. member for Calgary South on the second reading of Bill No. 298 be disallowed.

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I regret that a member of this house has seen fit to raise the issue of what he has chosen to call my financial interest in oil companies debarring me from voting, not only on this issue but on any other issue affecting pipe lines in this house.

First of all may I say that my financial relationships with oil companies, all of which happen to be Canadian independent oil companies, are such as existed prior to my becoming a member of this house. I continued them during my period in this house, and in no way have they affected either my speeches in this house or my voting on any issue in this house.

Mr. Speaker, since the issue has been raised I feel the only thing I can do is make public at this time in this house something which has

been known to some back in my home community but which, until the question was raised, I felt was a private matter and not one to be raised publicly. Under the circumstances I feel I must present the facts at this time.

When I entered politics in 1951 I did so with the pledge to myself that I would receive nothing from any government agency for services rendered to the government nor would I receive any financial benefit whatsoever from any decisions I might make as a member of this House of Commons were I elected. Under those circumstances, sir, in 1951 when I first sought election to this house I made a commitment to turn over to charities and a scholarship fund in Alberta every dollar I received as a member of this parliament.

In keeping with that commitment, Mr. Speaker—and I might say it has been honoured in full—every dollar I have received as a member of this house has been devoted to charities and to scholarships in the province of Alberta. Furthermore, as all hon. members of this house are aware, I opposed Trans-Canada for several years despite my interest in certain oil companies. My decision had been based upon several reasons which I have voiced many times in this house. I believe in sound economic planning. However, when it became apparent that I would have to take a stand in support of this particular company in order to get a pipe line built at all—and costs are certainly rising which rule out any further delay—and to avoid the building of a pipe line with a far higher cost to the taxpayers of this country, I then had to make another decision.

Two companies which have fairly recently become shareholders of Trans-Canada were companies in which I happened to have shares. I may say, sir, that when my decision to take a stand in support of Trans-Canada after my opposition to it for some years, I disposed of my stocks in those two particular companies which, incidentally, I bought some years ago not on the basis of Trans-Canada but on the basis of other assets and other developments. However, sir, those two stocks have since been disposed of, I might say at rather a considerable financial loss in the light of market developments since that time.

The next step taken concerns my relationship with the companies with which I have chosen to continue as a director during my term in this house. I emphasize again that the directorships of the several independent Canadian oil companies with which I was associated prior to becoming a member of this house are with companies in which I believe, and I shall do my best to support them as companies in which I think Canadians themselves can benefit through their participation as shareholders. I hope my position as a director of these companies has had some bearing on the investment of Canadians in those firms.

My shareholdings in these companies are not large. In order to eliminate any danger of my position as a director of these companies being considered to have any influence upon my votes in this house, I also made arrangements with regard to them which have already been carried into effect. What I have said regarding charities and scholarships and what I am now going to say are matters of fact and a part of the records of the appropriate department of this government, and have been for some time. I have made arrangements to turn over certain of my assets, again to a foundation devoted to charitable work in my home province, an amount far greater than any possible return that could be received from any sale of the gas reserves of those companies of which I am a director.

In those circumstances, sir, I regret that the question has been raised, but I say flatly that on this particular issue and all other issues in this house personal financial gains have had no part whatsoever in any decisions I have made, and I stand on that record.

Some hon. Members: Hear, hear.

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I would hope that this motion will not be supported by this house. Naturally I have had no opportunity to consult my colleagues in regard to the motion now presented, but I feel very strongly this is not a subject that can be dealt with in the way it is now presented.

I have resented very strongly some of the statements made by the hon. member for Calgary South (Mr. Nickle), when he has imputed to my colleagues the suggestion of political expediency; but I defend his right to express his opinion, and I would hope that the right to express independent opinions will be recognized on both sides of this house.

The question of direct pecuniary interest is not an easy one to resolve. I need not mention the cases which have arisen in regard to certain hon. members wherein this problem has been raised. In this case I am not in any way referring to the question of the relationship of directorates or matters of that kind, but this problem in this complex system of ours is not an easy one. Many people may have holdings in certain companies without any possible suggestion of impropriety. I think it would be most unwise and most unfair if on a motion of this kind and on a bald declaration that an hon. member has

certain shareholdings and certain associations, the right to vote, which after all is the right of membership in this house, should be dealt with by an arbitrary decision which permits of no examination of the facts.

There are procedures available. If any hon. member feels that any other hon. member is contravening the rights of membership in this house, we have a committee on privileges and elections before which such a subject can be properly raised. Under those circumstances the hon. member himself whose position is challenged would then be able to state the facts fully and answer any imputation that might be made as to a conflict of his own personal interests. The responsibility for that course is one that can be assumed by any hon. member. The course which is now proposed is one under which the members of this house would be asked to pass judgment upon another hon. member without an appropriate opportunity to examine the facts and to give that hon. member a chance to meet specifically the allegations that are made.

This is a difficult subject, one which has raised great difficulties, in this parliament, at Westminster and elsewhere in places which operate under a parliamentary system similar to ours. Certainly in this complex society of ours the personal interests of the hon. members of this house should not be dealt with in any arbitrary manner. They should certainly not be dealt with in a way which would deny full opportunity to meet any allegations stated in the most specific form.

For the reasons I have stated I hope the hon. members of this house will see fit to vote against the motion which has been made.

Mr. Solon E. Low (Peace River): Mr. Speaker, I think the Leader of the Opposition has well said what should have been said at the right time in connection with this proposal put forward by the hon. member for Winnipeg North Centre and the hon. member for Assiniboia. I draw the attention of hon. members, and especially the hon. member for Assiniboia, to the fact that the hon. member had a direct pecuniary interest in the $65 million farm payment for which he voted a few years ago. We would have been just as justified in challenging his right to vote then as he is justified in challenging the vote of the hon. member for Calgary South.

I think it is a dangerous thing to bring into the house a motion such as has been brought here and suggest that it be resolved by a vote of the membership of this house on the few facts we have available. So I would certainly suggest, as has the Leader of the Opposition, that we do not entertain this motion and try to resolve such a difficult problem in this way.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I be permitted to comment on the subject matter brought before the house in this way. First, I do not question the right of the hon. member for Winnipeg North Centre or any other hon. member to bring such a question before the house. It is an important question upon which the decision of the house is necessary.

Simply because I think it is desirable that the proprieties of the house be observed in a situation of this kind, I should like to draw the attention of Your Honour and the house to a passage in May's thirteenth edition upon which in my submission all these citations are based. At page 373—this is not the conclusion of my remarks, but simply in order that the proprieties of the house may be observed —we find the following:

> The member whose vote is under consideration on the ground of personal interest, having been heard in his place, should withdraw immediately, and before the question founded thereon has been proposed.

That is a propriety which I think should be observed. While the house decides what disposition it shall make of the matter, I would like to suggest to you, and to all hon. members who must be very much concerned about this matter, that so far as I have been able to discover in the limited time at my disposal since the matter was raised in the house by the hon. member for Winnipeg North Centre all the citations in Beauchesne's second and third editions are based upon references to May. The references to May's thirteenth edition are to be found at pages 372 to 374.

I would direct the attention of Your Honour and of hon. members here to the fact that all references in May to the disqualification of a vote on the grounds of personal interest are based on references to votes in connection with private bills. For instance, at page 372 we find this:

> The extent to which the rule of personal interest in a vote given by a member against a private bill, which would create a project intended to compete with an undertaking in which he has a pecuniary interest, is as yet undecided.

Then at page 373 May refers to an actual decision given in the British House of Commons, but he is dealing again with the case of a private bill. He concludes on page 374 by saying:

> Since that time, committees on opposed private bills are constituted so as to exclude members locally or personally interested; and in committees on unopposed bills, such members are not entitled to vote. A member of a committee on an opposed private bill, or groups of bills, will be discharged

from further attendance, if it be discovered, after his appointment, that he has a direct pecuniary interest in the bills, or one of them.

While I share with the Leader of the Opposition an intense personal resentment against the charges which have been made against us by the hon. member for Calgary South, I do invite your attention and that of the house to the fact that so far as the rules are applicable that I have been able to discover they are based upon the interest of a member in a private bill. Therefore I feel that we should not be invited at this time to express our opinion on a motion with relation to the bill now before us, which is a public bill.

I know I would be apt to be moved, I might say almost by personal resentment, with respect to the attacks made upon us by the hon. member for Calgary South. I do not think members of this party and of this house should be asked to vote at this time on a motion based upon the conduct of the hon. member with respect to a public bill, when the only precedents available to us are with respect to private bills.

While I am not going to express any opinion as to the conduct of the hon. member, I think in a matter of this kind we should be extremely clear as to what it is we are asked to do by the motion before us. I do not believe there are sound grounds for the motion which has been presented to Your Honour.

Mr. Speaker: So this discussion may not be prolonged unduly, may I say that the hon. member for Winnipeg North Centre has sent to the chair a motion, but it seems to me that if one looks at the citations which have to do with standing order 11, namely citations 95 and 96 of Beauchesne's third edition and also the ruling by Mr. Speaker Bain at page 825 of Beauchesne's third edition it appears that the matter of a decision to be made with respect to what constitutes pecuniary interest in a vote given by a member is one thing and the procedure as to how that vote is to be challenged is another.

The ruling of Mr. Speaker Bain will be found in column 9688 of *Hansard* of July 10, 1900, and that ruling is inserted in Beauchesne at page 825. I cannot find exactly the moment at which the vote of an hon. member had been challenged, but there is one thing sure and certain; no action was taken that night. Hon. members can look in column 9680 where Mr. Foster said:

> I wish to remind Mr. Speaker that there is a decision due to the house on that point raised by Sir Charles Tupper, as to the right of directors, being members of the house, in a company, a bill with reference to which is before parliament, voting on that bill. The Speaker undertook to take the matter into his consideration and to give the house a formal decision upon it. We wish for that decision of the Speaker, so that there may be no doubt as to the proper mode of procedure in that respect.

It seems to me that Mr. Foster then was raising a point of order in anticipation. He wanted to know what would be the position of the members, directors of companies, having to do with a certain bill which was to be taken before the house. Then later, in column 9688, we find the ruling of Mr. Speaker Bain, in which he outlines the procedure, which is mainly that to be found in May, pages 373 to 375, as outlined by the hon. member for Kamloops. The case found there is not a ruling which should give us proper guidance in the circumstances in which we find ourselves now.

Surely the house is not going to decide just like this, on the spur of the moment, that an hon. member of this house had a pecuniary interest in giving a vote. That surely cannot be the procedure of this house. It is impossible, because in attacking a member in this fashion his character and his honour are also at stake, and that can only be done by a substantive motion. A substantive motion is one that is amendable and debatable, and I would suggest that the proper amendment to that motion, when it is taken, is that the subject matter thereof be referred to the standing committee on privileges and elections. It would seem to me that if the report of the standing committee on privileges and elections is that the hon. member in voting has had a pecuniary interest, then the motion is made that the vote be disallowed, but not immediately after a division like this evening.

Mr. Nickle: May I state unequivocally that I have no share interest whatsoever in Trans-Canada Pipe Lines Limited and no shares whatsoever in any company which is a shareholder in Trans-Canada. I am quite prepared, and I would be most happy, to submit my record in regard to any of the oil companies of which I happen to be a director to the appropriate committee of this house for its examination.

Mr. Speaker: May I suggest to the hon. member for Winnipeg North Centre that from his deep knowledge of procedure—

Some hon. Members: Oh! That is a joke.

Mr. Speaker: Let me say at once—it may be an opinion that some hon. members do not share with me, but I say it with sincerity—I take it that the hon. member for Winnipeg North Centre is a student of procedure and has a great knowledge of these matters. From his knowledge of procedure, does it not strike him that this procedure

is impossible, because the house cannot be called upon to decide as to whether or not a vote is going to be disallowed just on the reasons he has advanced and on the explanations the hon. member for Calgary South has given? Surely this cannot take place. May's thirteenth edition, at page 373, says:

> An objection to a vote, on the ground of personal interest, cannot be raised except upon a substantive motion, that the vote given in a division be disallowed, and cannot be brought forward as a point of order.

There is a reference to page 271. If the hon. member refers to page 271 he will read:

> Certain matters cannot be debated, save upon a substantive motion which can be dealt with by amendment or by the distinct vote of the house.

But after debate and amendment.

> Among these may be mentioned the conduct of the sovereign, the heir to the throne, the Viceroy and Governor General of India, the Lord Lieutenant of Ireland, the Governors General of the Dominions . . .

Therefore this matter is in the same category as an attack upon the sovereign, the heir to the throne, etc. It is a question of privilege.

Mr. Knowles: Mr. Speaker, it will not be necessary for you to resolve this matter by any ruling on a point of order, and I can assure the house that my rising again at this time will be very brief and in a manner which will bring the incident to a close. I want to say—

An hon. Member: It should never have been opened.

Mr. Knowles: An hon. member says, "It should never have been opened." I have a different view. In my view, despite the remarks which my hon. friend from Calgary South has made, he has not denied or answered the basic statement I made—

Some hon. Members: Shame.

Mr. Speaker: Order. The hon. member attempted to make the point that the hon. member for Calgary South should have his vote disallowed because he has a direct pecuniary interest in the matter that is now before the house. As soon as the hon. member has made his point, the hon. member for Calgary South had a right to make a personal explanation, which he did. It seems to me at this moment that I cannot allow the hon. member or any other hon. member to discuss the explanations given by the hon. member for Calgary South.

An hon. Member: Resign.

Mr. Speaker: It seems to me at this moment that the course which the hon. member may follow—and I think it is the one he was about to follow without any hint to that effect—would be simply to leave the matter at that because, if later he wishes on a question of privilege to deal with the matter, I think he can achieve the same purpose he is trying to achieve now. I did not read his motion. It is not in the possession of the house.

Mr. Knowles: Mr. Speaker—

An hon. Member: Resign.

Mr. Knowles: Mr. Speaker, I shall not pursue what I was trying to say a moment ago in view of your suggestion that I should not do so. I am prepared to let the record of what has been said speak for itself on both sides of this question, but I think I should be permitted to point out that before I raised this matter tonight I did study the rule book and the authorities on this question very carefully, and it seemed to me that whether or not Your Honour or the house thinks the rules are set out satisfactorily, nevertheless they do provide no other way than by challenging a member's vote and following up that challenge with the motion which I was prepared to make.

There is some difference of opinion between us as to whether or not that was the way to do it. I did it in a way that I thought was the way to do it. The ruling of Mr. Speaker Bain reported on page 825 and 826 of Beauchesne's third edition says—

An hon. Member: It has been decided.

Mr. Speaker: Order.

Some hon. Members: Resign.

Hon. J. J. McCann (Minister of National Revenue): Would the hon. member permit a question?

Mr. Knowles: I have no apologies to make for the important question I have brought to the attention of the house tonight.

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

Mr. Knowles: If the Speaker allows, yes.

Mr. McCann: What is the position of the farmer members of this house who voted for the wheat bill?

Mr. Knowles: Perhaps Your Honour would answer that question.

Mr. Speaker: May I ask hon. members not to pursue the point unduly? There may be a difference of opinion between the hon. member and myself as to procedure. Let us say that perhaps some other time we can get together and arrive, I am sure, at the procedure for the future, but at the moment let us conclude this incident.

Northern Ontario Pipe Line Corporation

Mr. Knowles: I am trying to get the chance to read one sentence in a ruling by Mr. Speaker Bain, on the basis of which I shall make a request to the house. May I be permitted to answer in a sentence the question of the Minister of National Revenue?

Some hon. Members: No.

Mr. McCann: Think it over.

Mr. Speaker: I am sure the hon. member—

Mr. Knowles: Your Honour can answer it yourself.

Mr. Speaker: Would the hon. member be good enough to pursue the point with a view to concluding it as soon as possible?

Mr. Knowles: I think we all know, Mr. Speaker, that benefits that partake of a general interest are different from those that partake of a specific and personal interest. However, in his ruling on July 10, 1900, Mr. Speaker Bain said:

> The question is one for the house to determine.

In my view it is obvious what this house would determine on this issue, particularly in view of what has been said by the Leader of the Opposition and the leader of the Social Credit party, and in view of the applause the hon. member for Calgary South has drawn from the government side of the house. Therefore I shall not press the matter, and if Your Honour feels that in any sense I made a motion I have no hesitation, in view of what I have said, in asking the permission of the house to withdraw it.

Mr. Speaker: Being of the view that the procedure with respect to these matters is not as the hon. member has outlined it, and that it must be raised in a different manner and provide for a debate and amendments, I do not accept the motion. Therefore the hon. member does not have to withdraw it. The question now is on the second reading of this bill. Those who are in favour—

Some hon. Members: No, no.

Mr. Speaker: The motion for second reading has been carried. Mr. Howe (Port Arthur) moves, seconded by Mr. Harris—

Mr. Fulton: Mr. Speaker—

Mr. Speaker: —that the house do go into committee of the whole on this bill at the next sitting of the house.

Mr. Fulton: Mr. Speaker, before you put the motion, on a point of order may I ask this question? Perhaps I might be permitted to put a question to the Minister of Finance as leader of the house, because I think we should have some agreement on the point tonight. The question I have is this, whether this motion now made, the motion for Your Honour to leave the chair to go into committee, be put at the next sitting, will require a motion and a vote at the next sitting of the house. Is that the understanding?

Mr. Speaker: Perhaps I may answer that question. Of course the order will be on the order paper, "House in committee of the whole", and whenever the order is called I will have to put the motion that I do now leave the chair for the house to resolve itself into committee of the whole upon this bill. At that moment it will be votable if the hon. member wishes to provoke a vote.

Mr. Fulton: The question is on the motion of the minister that this motion be made at the next sitting. Is that correct?

Mr. Speaker: The situation now is simply that after second reading has been adopted—

Mr. Fulton: Perhaps I can shorten it. What I am trying to determine is whether the Minister of Trade and Commerce has now made a motion that the motion for Your Honour to leave the chair be put at the next sitting. Your Honour has said that will be put at the next sitting. We now have a motion before the house, as I understand it, made by the Minister of Trade and Commerce, which itself should be subject to a division.

Mr. Speaker: When the hon. member says "which itself should be subject to a division"—

Mr. Fulton: Is open to a division.

Mr. Speaker: It is open. That is better. The hon. member is good at correcting himself whenever he wants to.

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson	Cannon
Applewhaite	Cardin
Ashbourne	Caron
Batten	Carrick
Benidickson	Cauchon
Bennett	Cavers
Bertrand	Cloutier
Blackmore	Crestohl
Blanchette	Dechene
Boisvert	Decore
Boivin	Denis
Bonnier	Deschatelets
Boucher	Deslieres
Bourget	Dickey
Bourque	Dumas
Breton	Enfield
Brown (Brantford)	Eudes
Brown (Essex West)	Eyre
Bruneau	Fairey
Buchanan	Follwell
Byrne	Forgie
Cameron (High Park)	Fraser (St. John's East)
Campney	Gardiner

Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Shelburne-Yarmouth-Clare)
Laflamme
Lafontaine
Langlois (Berthier-Maskinonge-Delanaudiere)
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McLeod
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Reinke
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Viau
Villeneuve
Vincent
Weaver
Weir
Weselak
White (Waterloo South)
Winters
Wylie—159.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Montgomery
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—61.

Mr. Speaker: I declare the motion carried.

BUSINESS OF THE HOUSE

Mr. Harris: Tomorrow we shall continue with this bill in committee.

Mr. St. Laurent (Quebec East): I move that the house do now adjourn.

Motion agreed to.

Mr. Speaker: This house stands adjourned until tomorrow at 2.30 in the afternoon.

Mr. Dufresne: What about today, Mr. Speaker? You said "tomorrow".

Mr. Speaker: The hon. member knows that the sitting of today started at 2.30, and by "tomorrow" he must understand that it is 2.30 on Wednesday.

Motion agreed to and the house adjourned at 3.17 a.m.

ANSWERS TO QUESTIONS

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

FREIGHT ASSISTANCE, WESTERN GRAIN

Question No. 482—**Mr. Purdy:**

1. When was the freight assistance policy on western grains introduced?
2. What is the total amount paid in connection with this policy on movements to Nova Scotia, since the start of the assistance?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. The freight assistance policy on western feed grains was introduced in October 1941.

2. The amount paid on the movement of western feed grains into Nova Scotia up to April 30, 1956, was $20,657,188.75.

MARITIME MARSHLAND REHABILITATION ACT—FEDERAL EXPENDITURES, N.S.

Question No. 485—**Mr. Lusby:**

1. How much has the federal government paid to date for works undertaken in Nova Scotia under the Maritime Marshland Rehabilitation Act?
2. How much has been spent in this connection in the constituency of Cumberland?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. As at March 31, 1956, $3,559,764.46.
2. As at March 31, 1956, $1,006,282.01.

HOUSE OF COMMONS

Wednesday, May 23, 1956

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

ANNOUNCEMENT OF CANADIAN-UNITED STATES EXAMINATION OF BOUNDARY WATERS

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, I would like to make an announcement, the text of which has been agreed to by the governments of Canada and the United States for simultaneous release today. It is as follows:

The Canadian and United States governments have decided to examine together the subject of waters which flow across the international boundary between the two countries.

The last time both governments examined this matter thoroughly together was before the conclusion of the boundary waters treaty of 1909. During the 46 years which have elapsed since its ratification, the international joint commission, which was established by the treaty, has worked with outstanding success in solving water problems within the framework of this treaty.

It has recently appeared, however, that the development of the resources of such basins as the Saint John, the Columbia and the Yukon requires, among other things, the solution of various complicated legal, economic and engineering questions. In agreeing to examine the matter of waters which cross the boundary, the two governments realize that there may be no easy or quick answer to the problems which are arising today in such areas and that the studies may reveal that the boundary waters treaty of 1909 is sufficiently broad to meet present problems. The two governments believe, however, that a full and confidential exchange of views may contribute to the resolution of these problems and it is in this spirit that the discussions have been agreed to. At the same time, the two governments desire that the international joint commission shall press forward its studies under the Columbia river basin reference of 1944 and the other similar references which it has under consideration.

I should like to add, Mr. Speaker, that I have written to the premiers of the provinces that are directly concerned with waters crossing the boundary and I have sent them copies of the announcement. I have told them that I will welcome any views or suggestions they may wish to make concerning the subject matter of the forthcoming discussions and I have added that I will be in touch with them further as matters develop.

I might also add that, in response to an invitation extended by the premier of British Columbia, I shall visit Victoria for discussions with Mr. Bennett on water problems on June 5.

67509—269½

Mr. Howard C. Green (Vancouver-Quadra): Mr. Speaker, could the minister tell the house which department of the government will be carrying on these negotiations with the United States? The minister did not tell us whether it is to be a governmental body or one or more of the departments or in what manner these negotiations would be taking place. Could the minister also tell us whether the provincial governments will be allowed to have representatives sitting in on any of these conferences?

Mr. Lesage: The intention, Mr. Speaker, is to have a Canadian team for discussions with a United States team.

Mr. Green: Would that be at the ministerial level?

Mr. Lesage: It will be at first at the official level, for sure, sir, but the composition of the discussion team is not yet definite. There will be representatives of various departments of government on the team. We have asked the United States if there would be representatives of the states on their discussion team and they have told us there would not be. That is why I am securing the opinion of the premiers of the provinces interested and also that is why I am going to have full discussions with the premier of British Columbia on June 5.

Mr. Green: But no official representatives are to sit in on the conference?

Mr. Lesage: The studies will be made here by the interdepartmental committee on water use which is composed of representatives of various departments.

Mr. Green: Which departments?

Mr. Lesage: There is a long series; I believe it is six or seven departments, and also the international joint commission. The officials of the various provinces would have discussions with the members of this interdepartmental committee.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, may I ask the minister if General McNaughton will be a member of the team or an officer of the governmental team?

Mr. Lesage: General McNaughton attends the meetings of the interdepartmental committee on water use.

Mr. Fulton: Will he attend?

Inquiries of the Ministry

Mr. Lesage: General McNaughton usually attends all meetings of the interdepartmental committee.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure this is a most welcome announcement. Could the minister tell the house when the discussions between Canada and the United States are likely to commence?

Mr. Lesage: It is expected, sir, that the question will be studied fully in the United States and in Canada for some time but during that time we expect that we will have informal communications between the two governments in preparation for the formal discussions later.

[*Later:*]

On the orders of the day:

Mr. F. S. Zaplitny (Dauphin): I should like to direct a question to the Minister of Northern Affairs and National Resources arising out of the statement he made earlier today with regard to the discussions between the government of Canada and that of the United States in connection with waters which cross the international boundary. Will these discussions include the question of flood waters and soil erosion?

Mr. Lesage: I do not believe so, Mr. Speaker. I shall look into the matter and try to give a more extensive reply, but I do not believe so.

LATIN AMERICA—REQUEST FOR STATEMENT ON EXPORT OF SABRE AIRCRAFT

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Prime Minister if the government has under consideration any requests from Latin American countries other than Colombia for Sabre jet fighter aircraft?

Right Hon. L. S. St. Laurent (Prime Minister): Not at this time.

PRIVILEGE

MR. NICKLE—REQUEST FOR MEETING OF COMMITTEE ON PRIVILEGES AND ELECTIONS

On the orders of the day:

Mr. Carl O. Nickle (Calgary South): Mr. Speaker, I rise on a question of personal privilege. In view of the question raised this morning as to my eligibility to vote on the measure before the house at that time, I rise to request that if possible the committee on privileges and elections be convened to investigate the matter in order that any remaining doubt as to my integrity and lack of personal financial interest in the matter may be fully cleared away.

Mr. Speaker: The committee on privileges and elections is a standing committee of this house. No doubt the chairman of that committee has taken note of the hon. gentleman's request and after consulting with him and others who are members of the committee whatever arrangements are required might be made.

MR. STARR—REFERENCE TO ARTICLE IN "GLOBE AND MAIL" OF MAY 21

On the orders of the day:

Mr. Michael Starr (Ontario): Mr. Speaker, I rise on a question of privilege which has to do with an article which appeared in the *Globe and Mail* of Monday, May 21, 1956. It is a short article entitled "How to be Very, Very Audible" and it reads:

> Members of parliament have to be eye-catching if they want to speak to the house.
>
> It is this quality, rather than political affiliation, which determines an M.P.'s voice in national affairs, Speaker of the House Beaudoin explained Saturday.
>
> Addressing the Ukrainian national federation's annual convention in Toronto, Mr. Beaudoin denied that his deputy, William Robinson, neglected the rights of opposition speakers in the great pipe line debate.
>
> "It is a question of who catches your eye," he said. "We weren't trying to be partial."

Mr. Speaker, I was present at that meeting along with other hon. members of the house and I heard your speech with a great deal of interest. I wish to say at this time that I did not hear you make any such statement in your speech and I therefore assert that the statements in this article attributed to you are not true.

Mr. F. S. Zaplitny (Dauphin): Mr. Speaker, I rise on the same question of privilege merely to confirm what the hon. member has just said. I was present on that occasion and heard you make a thoughtful, courteous and informative speech which did not contain any of the words reported in the *Globe and Mail.*

Mr. Charles E. Rea (Spadina): Mr. Speaker, I was present at the same meeting and I concur in what hon. members have said.

Mr. Speaker: I want to thank the hon. members who have come to my rescue, so to speak. It reminds me of an article which I read in a book on procedure which stated that if the Speaker were faced with any difficulty members would rise immediately to his defence. This has been done in the true traditional form.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN FINE ARTS—FEDERAL CONTRIBUTIONS

Question No. 490—**Mr. Holowach:**

1. What amounts have been contributed by the federal government to individuals, institutions or organizations, for the promotion of drama, music or other fine arts, during the past five years?
2. Has any contribution ever been made during this period in the nature of grants, travelling or other expenses outside of Canada for such a purpose?
3. What is the total amount spent during the years, 1952, 1953, 1954, 1955, and to date in 1956, for acquisition of works of art (a) outside Canada; (b) in Canada?

LAND PURCHASES—DR. GROLEAU, SHERBROOKE, QUE.

Question No. 508—**Mr. Balcer:**

1. Have any parcels of land been purchased by the federal government from Dr. Leon Groleau, of Sherbrooke, Quebec, during the years 1948, 1949, 1950?
2. If so, what is the description of each parcel purchased and what amount was paid in each instance?

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPORT OF FAUTEUX COMMISSION

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to ask the Minister of Justice if he has yet made an announcement with regard to the filing of the report of the Fauteux commission.

Hon. Stuart S. Garson (Minister of Justice): Yes. I announced some two or three weeks ago that we would be filing the Fauteux commission report as soon as it had been printed in English and French.

Mr. Macdonnell: Can the minister say when that will be?

Mr. Garson: It will be a matter of days now.

MOONEY AND STOFFELS—REQUEST FOR INVESTIGATION INTO CONVICTION

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 Justice in connection with a Canadian Press dispatch dated today relative to two men, Daniel Mooney and Donald Stoffels, who were convicted in Toronto and are at present in Kingston penitentiary serving a two-year sentence. Has the minister received a letter from Magistrate McKeown to the effect that according to the evidence now available these men are indeed innocent? If so, will he immediately have an investigation launched into the question with a view to having a free pardon granted if the facts are as Magistrate McKeown has stated?

Hon. Stuart S. Garson (Minister of Justice): The news-gathering facilities of our press are so efficient that the news of this letter has got into the newspapers before the letter itself has actually reached me. I prefer to withhold comment until I have received the letter and learned from it what it is that I would be talking about.

COMBINES INVESTIGATION ACT

BEER—ACTION TO BE TAKEN CONCERNING ALLEGED COMBINE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Justice. Has the government yet reached a decision as to whether any action will be taken with respect to the report concerning an alleged combine in the manufacture, sale and distribution of beer in Canada?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, as I have explained on previous occasions, the preparation of an opinion has been delayed for the reasons which I then gave in detail. We are unable to reach a decision on this matter until we receive that opinion, which we expect shortly.

PUBLIC BUILDINGS

WINNIPEG POST OFFICE—INQUIRY AS TO BUILDING MATERIAL

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): May I thank hon. members for their recognition and also for the kind expressions of sympathy during my recent illness. I should like to ask the Minister of Public Works why greater use has not been made of building stone in the exterior walls of the new Winnipeg post office.

Hon. Robert H. Winters (Minister of Public Works): First of all let me say that I am delighted, as all hon. members are, to see the hon. member for Winnipeg South back in his seat and apparently in good health. I presume the hon. member in his question referred to the large new post office nearing completion in Winnipeg. If that is the case, then I think he will agree with me that the building incorporates the materials which will make it a great credit to that fine city of Winnipeg.

Mr. Trainor: I do not entirely agree with the minister in that respect. As a matter of

fact, I passed this building quite recently, and it conveys the impression of a rather imposing warehouse. The exterior walls are built of brick, and the minister no doubt is aware that within 25 miles of the city of Winnipeg, in the constituency of my hon. friend from Springfield, is a supply of the most beautiful building stone in the world. If any members are in doubt about that, they have only to step out into the corridor—

Mr. Speaker: I am sorry to have to remind the hon. member that, while he unfortunately was away, as we all know, because of sickness, the rules which were in effect before he left are still in effect.

INQUIRIES FOR RETURNS

VANCOUVER-JOYCE SUB-POST OFFICE—CHANGE OF LOCATION

On the orders of the day:

Mr. Angus MacInnis (Vancouver-Kingsway): May I ask a question of the Postmaster General? An order for return of papers was passed in my name on April 16. I wonder if the Postmaster General would be good enough to make inquiries as to when I shall get those papers.

Hon. Hugues Lapointe (Postmaster General): I should be very glad to make inquiries. As a matter of fact, I was under the impression they had been tabled, but I shall look into it.

AIRPORTS—EXPROPRIATION OF PROPERTY, VIRDEN, MAN.

On the orders of the day:

Mr. W. G. Dinsdale (Brandon-Souris): I should like to direct a question to the Minister of Northern Affairs and National Resources. Can the minister inform the house when we may expect to receive the documents passed by motion on April 30 dealing with the case of August Fontana?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, this represents a great number of documents, but I will look into the matter.

PARLIAMENT HILL

CONSTRUCTION OF PLATFORM OUTSIDE CENTRE BLOCK

On the orders of the day:

Mr. G. K. Fraser (Peterborough): I should like to address a question to the Minister of Public Works. On June 23 of last year I asked a question in regard to the use of new lumber every time there is a platform built in front of this building. At that time the minister said that a platform was being designed that could be used over and over again. I notice that they are using new lumber again at the present time. I wonder whether the minister has the newly designed platform ready.

Hon. Robert H. Winters (Minister of Public Works): The new platform has been designed and is being erected for the trooping the colour ceremony on Sunday, May 27. In addition to the standard sections which were designed, one row of additional seats is necessary and that row is being made of new lumber which was cut to a size which will permit its re-use from time to time.

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a supplementary question. Are the steel stanchions, and so on, owned by the government or are they rented? I heard today they were rented.

Mr. Winters: They are owned by the government.

CITIZENSHIP AND IMMIGRATION

STRATFORD, ONT.—REIMBURSEMENT OF VICTIMIZED NEW CANADIANS

On the orders of the day:

Mr. J. W. Monteith (Perth): I should like to direct a question to the Minister of Citizenship and Immigration. Is an official of the immigration department at present engaged in reimbursing victimized new Canadians residing in the Stratford area and, if so, what is the source of the funds?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I know nothing whatever about the subject of possible reimbursement, but I will make inquiries.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

On the order:

House in committee of the whole on Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation.—The Minister of Trade and Commerce.

Mr. E. D. Fulton (Kamloops): Mr. Speaker, before the question is put I rise for the purpose of moving an instruction to the committee of the whole. I am not going to refer to it at the moment but I am sure Your Honour will agree with me this is the time and the only time at which such an instruction can be moved.

Mr. Speaker: I do not agree with the hon. member. The hon. member is probably going

to deal with the period where the motion to commit was a debatable one and was amendable. At this moment the bill must be committed to committee of the whole. The order on the order paper is "House in committee of the whole", and therefore the motion must be put. It is a non-debatable and therefore a non-amendable motion. It is votable.

Mr. Fulton: Mr. Speaker, on the point you have raised, it is not my intention to try to amend the motion for the reason you have just given, namely that it is not debatable and therefore not capable of amendment. But it is possible to move a superseding motion and a motion for an instruction to the committee is, of course, of the nature of a substantive motion which supersedes the motion for committal. Your Honour has to put the motion that you do leave the chair for the house to go into committee. It is stated in the authorities that it is at this time that a member may move an instruction to the committee which supersedes the motion. It is not an amendment to it and, if carried, would of course supersede it. As a superseding motion, a substantive motion, it is in order at this time. I would therefore propose to move, seconded by the hon. member for Lanark (Mr. Blair):

That it be an instruction to the committee of the whole that they have power to amend Bill 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, to provide that no loan or advance shall be made to, or agreement made with, Trans-Canada unless the majority of the issued shares of its capital stock is owned by Canadians.

Sir, the purpose of the instruction will, I think, be obvious. It is to ensure that thing which the Liberal party, using the trade-mark of the Minister of Trade and Commerce, has been trying to tell Canadians, its own supporters and others in Canada that the present proposal does. I have here in my hand a copy of *The Liberal*—

Mr. Speaker: If the motion should be in order and were it to be agreed upon the hon. member would have ample opportunity to make whatever points in debate he might wish to make, but I should like to refer the hon. member to *Votes and Proceedings* of yesterday, page 596. Following the division on the motion that the said bill be considered in committee of the whole at the next sitting of the house the said motion was carried and the entry in *Votes and Proceedings* is as follows:

The said bill was accordingly ordered for consideration in committee of the whole at the next sitting of the house.

What was the page to which the hon. member referred me?

Mr. Fulton: I am sorry, Mr. Speaker, that I did not have the page before me. I have now the reference in Bourinot at page 512—and there are also references in May—where Bourinot says this:

An "instruction",—

Mr. Speaker: Order. The hon. member having given me the reference of page 512, I have it before me. That is exactly the one I had in mind also. At page 511 we find the following:

When a bill has been read a second time by the clerk, the next question will be proposed.

"That the house go into committee on the bill (now, or on ———— next.)"

The house generally goes into committee on the bill at once—but when desired, the committee stage is postponed to another sitting of the house.

That is exactly what was done last evening.

The motion generally passes, *nem. con.*, like all such formal motions; though it is quite regular to move an amendment as to the time of committal.

The hon. member at this moment must remember that this edition of Bourinot was published in 1916. He will find it impossible to find any precedent where the motion to commit has been amended.

Mr. Fulton: We are not amending it.

Mr. Speaker: Or that even a superseding motion has been moved.

Mr. Fulton: Mr. Speaker, would you read the bottom paragraph on page 512 and headed by Roman numerals "VIII"?

Mr. Speaker: Yes. I will read the bottom paragraph. I was prepared on that point last night, as a matter of fact.

Mr. Fulton: So were we.

Mr. Speaker: There is a little piece of paper that I unfortunately left on my desk in my office. However, I will read the balance of page 512 in Bourinot:

When 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."

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.

It has been frequently decided in the English house that, on the motion for the speaker to leave the chair, a member "is at liberty to discuss the main provisions, but not to proceed in detail through the clauses, nor to discuss amendments to the same, until the bill is regularly in committee".

Then at the bottom of the page there are various footnotes under various letters referring to the Canadian Commons *Journals* and also to the English *Hansard*.

Mr. Fulton: It is the succeeding paragraph to which I have reference, Mr. Speaker.

Mr. Speaker: On "Instructions"?

Mr. Fulton: Yes; the paragraph dealing with instructions, not amendments.

Mr. Speaker: May I submit to the hon. member that instruction is either necessary or it is not. If the committee has power to deal with some of the matters upon which the hon. member wishes to instruct the committee, then the instruction is unnecessary and trivial and should not be entertained. But before the hon. member can move an instruction he must first of all have the right to do so. In my view at this juncture of our proceedings he has no alternative. The only thing that can happen is a division on the motion that I do now leave the chair for the house to resolve itself into committee of the whole, because last evening the house ordered that the bill be considered in committee of the whole at the next sitting. By "next sitting" is meant the one which by standing order 18 (2) the leader of the house announced as being the one on which the bill would be considered in committee of the whole and that is today. Therefore the order of the day having been called for that order, I have no alternative but to put the motion that I do now leave the chair for the house to resolve itself into committee of the whole.

Mr. Fulton: May I with respect point out that the paragraph in Bourinot that I am directing attention to is one dealing with this question of instruction, not with amendments to the motion that you leave the chair, and I think it should be before the house. It is paragraph 8 on page 512, and reads as follows:

> An "instruction", empowering a committee to make those changes in a bill which otherwise it could not make, should be moved as soon as the order for the committee has been read by the clerk, and before the question is put, that the Speaker do leave the chair. An instruction, properly speaking, is not of the nature of an amendment, but of a substantive motion which ought to have precendence of the question that the Speaker do leave the chair.

Now, sir, we also anticipated this matter last night and when Your Honour read the motion of the Minister of Trade and Commerce, I think it was, that the house go into committee at its next sitting, we, I believe, protected the situation by the question we then asked which was whether that would require a motion to be put at the next sitting, "the next sitting" being the one that we have now embarked upon, and Your Honour answered, as reported at page 4246 of *Hansard*:

> . . . and whenever the order is called I will have to put the motion that I do now leave the chair for the house to resolve itself into committee of the whole upon this bill. At that moment it will be votable if the hon. member wishes to provoke a vote.

So that we did then establish that Your Honour has to put the question today, as is now about to be done, that it has been moved by Mr. Howe or Mr. Harris, as the case may be, that I do now leave the chair for the house to go into committee on this bill. Bourinot states, and in this respect and at this date I submit that he is still an authority on instructions, that this is the time and the only time at which an instruction can be moved, when the order is called and before you put the question. He points out clearly that instruction is not an amendment but is, properly speaking, a substantive motion which ought to have precedence over the question that the Speaker do leave the chair. Therefore, sir, in my submission it is not material that we have amended the rules to prevent debate on the motion that Your Honour leave the chair to go into committee, and we are not asking to debate that motion. The precedent still stands that whether or not that motion be debatable, the motion for an instruction is a different motion, a substantive motion, and has precedence over the motion that you leave the chair, so that this position is completely unaffected by the change that was made in the rules with respect to whether or not the motion to leave the chair is debatable.

As to the right of members to move instructions to the committee of the whole, I would refer of course to two precedents which were established in this house in the year 1948, and my first precedent is the Minister of Trade and Commerce himself who moved, on March 19, 1948, as recorded at page 2411 of *Hansard*, at this very stage, not to amend the motion for second reading, but an instruction and the Speaker of the day put the question as follows:

> Mr. Howe moves, seconded by Mr. Gardiner, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order . . .

For the purpose then mentioned. This was the exact stage in which that instruction was moved. It was dealt with as a separate, substantive motion, having priority over the motion that Your Honour leave the chair. In the same year and in the same volume, as recorded on page 2207 of *Hansard* of March 15, 1948, the hon. member for Winnipeg North Centre at this stage, immediately after the motion for the second reading had been carried and just before the question for Your Honour to leave the chair and the house to go into committee was put, moved an instruction to the committee of the whole that it have power to amend the bill by adding a clause, and that instruction, or the

motion for an instruction, was accepted and allowed for debate. Debate took place upon it and then the motion was voted on. The other case was a motion for instruction made by the Minister of Trade and Commerce. It was debated. The minister made a statement with regard to it on the circumstances of its introduction when he was introducing it. It was debated shortly, it is true, but debated and then voted on.

Now, sir,—

Mr. Speaker: Order. Would the hon. member be good enough to extend his remarks on the last precedent that he mentioned? The instruction was to the committee to add a clause?

Mr. Fulton: Yes, Mr. Speaker.

Mr. Speaker: Was that to alter the title?

Mr. Fulton: No. Perhaps I should read it. At page 2207 of *Hansard*, in the middle of column 2, the following appears:

> That it be an instruction to the committee of the whole that they have power to amend Bill 136 by inserting therein the following section:
> 2. Section four of the said act is repealed and the following substituted therefor:

Then follow the details of the substitution. But this is the important point. The instruction did not instruct the committee to repeal a section of the bill that was going to be committed. The bill that was going to be committed was a bill itself repealing some provision of a former act. What the instruction asked the committee to do was to add a section to the bill; that is, to the bill that was about to be committed. It was argued on that occasion and on other occasions that without such an instruction the committee would have no power to make the change requested. The subject matter of the instruction, of course, had to relate to the subject matter of the bill; it could not be something entirely outside the legislation. The instruction has to be something that gives the committee of the whole power to do something which otherwise they could not do, and it has to be permissive and not mandatory. In other words, it has to give them power to do it; it has to be a power without which they could not perform the act requested. Therefore, I maintain the form of my instruction is clearly in order; it is permissive. This is the only way you can move an instruction to the committee of the whole. It relates to something connected with the bill, the Trans-Canada company and the circumstances under which loans and advances are to be made, all of which is a part of the subject matter of the bill. Without the instruction the committee could not make the particular change which I am now suggesting that it have power to make, so that the instruction is, in my submission, completely in order under the regulations governing the form of instruction. It is moved at the proper time in accordance with the precedents which I have cited and the authority of Bourinot.

Since it is a substantive motion it takes precedence over the motion that you leave the chair. It is not an amendment and therefore the propriety of moving it, and its effect, are not altered by the fact that we have altered the rules with regard to debating the motion that you leave the chair. This is a different motion, and it is clearly in order at this stage and is debatable and I submit, sir, that we should get on with the debate as to whether or not the house agrees that the committee should be so instructed.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I say just a word?

Some hon. Members: Shame.

Mr. Speaker: Order.

Mr. Knowles: May I say a few words in support—

Some hon. Members: No.

Mr. Knowles: —of the point of order that has been made by the hon. member for Kamloops. I am sure that Your Honour will agree that he has done right in dividing the subject matter as you, sir, have done, into two questions. First, there is the question of whether or not we have the right to make an instruction at this stage at all. The second question would be as to whether or not the motion moved by the hon. member for Kamloops is a proper instruction. I shall not go into the latter question now except to say it does not seem to me it is a proper motion of instruction in that it does not give an order to the committee but rather gives the committee power to consider a certain motion if it wishes to do so.

With regard to the question as to whether we still have the right to move an instruction, it seems to me that the points the hon. member for Kamloops has made are clear cut and unanswerable. Bourinot's words on page 512 surely say that this is the time; namely, when the order for the second reading of the bill has been read by the Clerk and before the question is put that the Speaker do leave the chair.

May I remind Your Honour again of two instances and of yet a third one in 1948 along the lines suggested by the hon. member for Kamloops. In both of the instances to which the hon. member for Kamloops referred, the matter was not sprung on the house by way of surprise. In the case of the instruction I moved in connection with

Mr. Ilsley's Transitional Measures Act we had had discussion previously, in committee on the resolution, during which it was agreed across the floor that the proper way to deal with the matter was by moving an instruction at that point.

It is quite clear from *Hansard* at page 2207 for March 15, 1948, that just as soon as the motion for second reading had carried and before the motion was put that Your Honour leave the chair for the house to go into committee of the whole on the bill, the motion for instruction was entertained by the Speaker of that day. The debate continued for a number of pages in *Hansard* and the motion came to a vote.

Similarly, in the case of the bill amending the Canadian Wheat Board Act, there was discussion in committee. As a matter of fact, the Minister of Trade and Commerce gave an undertaking in the committee that he would meet the wishes of the Progressive Conservatives of that day and present a motion of instruction to enable the committee to divide the bill into two parts if it wished to do so. It is clear again that this was not a direction to the committee which it had to carry out but rather it was an instruction empowering the committee to make that change if it wished to do so.

It is true that on both occasions the motions for instruction were defeated but the main point at this juncture is as to whether or not there are precedents. Your Honour said there were none but we are citing these instances from 1948 as precedents when this was done, and done at this very point.

The third occasion in 1948 is not exactly the same as the two which have been referred to but I think it does have significance for us. On that occasion the Export Permits Bill was under discussion and we had actually got beyond this stage. We were in committee on the bill. While we were in committee on the bill the Minister of Trade and Commerce sought to move an amendment which seemed to the committee to be quite substantial. There was discussion as to whether or not this was in order and it was agreed in the committee that it would be better for the committee to have an instruction from the house permitting it to make that amendment. A problem did arise as to how the house could move an instruction to the committee since there is a citation that says this can only be done on the first occasion when a bill is being referred to a committee. That difficulty was overcome by the giving of unanimous consent. The only point to which unanimous consent was given was to this being done at a stage later than the first occasion when the bill was committed to the committee of the whole.

Accordingly, on April 16, 1948, as recorded at page 3041 of *Hansard*, the hon. member for Ottawa West, then parliamentary assistant to the Minister of Trade and Commerce, moved an instruction to the committee giving it power to amend Bill 138 as follows—and the wording that follows is about half a column in length.

There was a debate. True, it was very short and only the then hon. member for Muskoka-Ontario spoke on it. At any rate that constituted a debate and the motion of instruction was agreed to.

It seems to me, Mr. Speaker, that the point is pretty clearly established that although the practice has been followed rarely, nevertheless it is an established practice that after second reading has been agreed to, before Your Honour leaves the chair for the house to go into committee of the whole it is proper to move a motion of instruction recognizing, of course, that the motion, so far as its substance is concerned, has to meet the other requirements respecting motions of instruction. I think that this one does, but the first point that has to be settled is the right of the hon. member for Kamloops to move a motion of instruction at this point.

Mr. Alistair Stewart (Winnipeg North): Mr. Speaker, I do not like what is going on. I have a very high regard for our democratic process; I have a very high regard, therefore, for parliament and for what parliament means to everybody. I think it is most unfortunate that Your Honour is being apparently placed in the position almost every day of having to act almost as a proponent of one side of an argument. It should be the duty of the leader of the house or the Prime Minister to answer these arguments which are being put up by the opposition, whether they are right or wrong.

Some hon. Members: Oh, oh.

Mr. Stewart (Winnipeg North): I think the Speaker of the house is being placed in a most invidious position when he is asked almost to act as a protagonist for the other side.

An hon. Member: There is only one side in this house anyway.

Mr. Stewart (Winnipeg North): For the sake of parliament we should let the leader of the house put up arguments against the arguments which are being advanced here and let the Speaker make his decision.

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I have been under the impression through all these points of order—and I am speaking to the one raised now—that had anyone on this side given an opinion we would have had precisely the same answer that I received when I did express an opinion last week when the leader of the C.C.F. party commented that I directed the chairman to do something. I objected, Mr. Speaker, at that time that I did not ask for such a direction.

Mr. Coldwell: That is not the interpretation that should be placed on what I said.

Some hon. Members: Sit down.

Mr. Coldwell: Mr. Speaker, I object that when an hon. member on this side of the house rises on a point of order the people on the other side shout "Sit down". Guy Fawkes tried to blow up the British parliament 300 years ago and this government has effectively blown up this parliament without the risk of being hanged.

Mr. Dechene: Are you afraid of the big bad wolf?

Mr. Harris: Mr. Speaker, I should draw your attention to a ruling, or an explanation at any rate, of what I think is presently under consideration. It may not be complete but I read to you in the second edition an extract from Beauchesne which reads this way:

If an instruction is moved—

Mr. Fulton: What page, please?

Mr. Harris: In a moment.

Mr. Fulton: From what page are you reading?

Mr. Harris: Page 134, item 431. I continue:

If an instruction is moved when the motion to leave the chair is proposed, then it becomes an amendment which, if agreed to, supersedes the motion for the committee, and the bill consequently cannot be proceeded with for the time being.

Now, sir, you have already said, and I think it has been generally accepted, that the motion you are about to put to the house is not debatable and ergo not amendable. Under those circumstances, if the motion now proposed by my hon. friend is accepted and if it becomes an amendment then it violates the ruling you have already given and which we always understood has been the case.

Mr. Fulton: Mr. Speaker, that is exactly the reason—

Mr. Speaker: Order. I think I am quite prepared now to give a preliminary view as to how I look upon this matter. It may be that if the hon. member wishes to argue the point further—

Mr. Fulton: I should like to reply to the minister.

An hon. Member: There is no debate.

Mr. Speaker: At this moment if hon. members wish to hear me in silence I will review the situation. Last evening the question was put, "When should we go into committee of the whole on this bill?" The answer is either now or at the next sitting. The motion was that we go into the committee of the whole at the next sitting. A division was asked for and the house carried that motion, and therefore the bill was ordered for committee of the whole at the next sitting. We are at the next sitting. The orders of the day having been called, the hon. member for Kamloops (Mr. Fulton) supported as he thinks by Bourinot at page 512, moved a motion which he contends is a substantive motion in the nature of an instruction to the committee to give the committee powers to do something which otherwise it may not do. Let us look at page 512 of Bourinot, which states:

An "instruction", empowering a committee to make those changes in a bill which otherwise it could not make,—

The first question which is raised here is: Could the committee of the whole make these changes without this instruction? We will keep that one in mind and deal with it later. I continue reading from Bourinot:

—should be moved as soon as the order for the committee has been read by the Clerk, and before the question is put, that the Speaker do leave the chair. An instruction, properly speaking, is not of the nature of an amendment, but of a substantive motion—

I interrupt there to comment as follows: Because Bourinot contends that an instruction is of the nature of a substantive motion does not make that motion for instruction a substantive motion. Bourinot likens it to a substantive motion, but that does not make that motion a substantive motion. I continue:

—which ought to have precedence of the question that the Speaker do leave the chair. If an instruction is moved when the latter motion is proposed, then it becomes an amendment, which, if agreed to, supersedes the motion for the committee, and the bill consequently cannot be proceeded with for the time being.

The motion proposed by the hon. member for Kamloops was sent to the chair before the motion that I leave the chair for the house to go into committee of the whole was proposed. Therefore this paragraph does not apply. I continue quoting Bourinot at page 513:

Considerable misapprehension appears to exist as to the meaning of an instruction. An instruction is given to a committee to confer on it that

power which, without such instruction, it would not have. If the subject matter of an instruction is relevant to the subject matter and within the scope and title of a bill, then such instruction is irregular since the committee had the power to make the required amendment. The following precedents will illustrate the correct practice with respect to this class of motions.

Then Bourinot gives several examples of similar motions. If hon. members will carry on to pages 514 and 515 they will come to a ruling by Mr. Speaker Cockburn, and I quote:

Mr. Speaker Cockburn decided that the committee had the power to do what was proposed, and that consequently the motion was irregular. In 1872, when the question for committee on the bill to repeal the insolvency laws was under consideration in the Canadian House of Commons, Mr. Harrison moved that it be an instruction to the committee to except the province of Ontario from the operation of the bill. Mr. Blake having made objection to the motion, Mr. Speaker Cockburn ruled: "As the bill affected the whole dominion the committee have already the power asked for in the motion, and consequently it is out of order."

I quote this to show that it is within the power of the Speaker to reject a motion if it is his view that the committee has the power to deal with the subject matter of the instruction contained in the motion. Then I come to the various precedents which the hon. member for Kamloops has cited, as well as the hon. member for Winnipeg North Centre (Mr. Knowles). Reference was made to an instruction to divide a bill. I think the hon. member could have quoted an instruction to consolidate a bill or an instruction to ask the committee to go beyond the title of the bill. If the hon. member will look at page 515 of Bourinot's fourth edition he will see the rules which have been laid down and he will see also that in certain cases the committee of the whole has no other choice but to receive an instruction if it is to divide a bill or consolidate a bill. In the instances quoted by the hon. member it seems to me that had the committee not received the instruction, because of the rules laid down by Bourinot and the decisions of English Speakers as outlined at page 515, the committee could not have proceeded. Here are the decisions:

Decisions of English Speakers have also laid down the following rules with respect to instruction:

"That it requires an instruction to divide a bill into two parts or to consolidate two bills into one.

That notice should be given of an instruction when a member has proposed such as a substantive motion, and not as an amendment to the question, that the Speaker do leave the chair."

When Bourinot says at the beginning of the section dealing with this subject that it is of the nature of a substantive motion, he is also noting that when it is to be considered as a substantive motion, therefore debatable and amendable, notice should be given. Those are the rules laid down by the decisions of English Speakers. I continue:

"That when a bill is simply a continuance bill of an act now in force, it is not competent for the committee to introduce a clause of a different nature to the simple scope of such bill, but it may be an instruction to the committee to introduce such a clause."

I have read the rules which have been laid down by English Speakers. I feel that I am justified, not by what the hon. member for Kamloops or the hon. member for Winnipeg North Centre has said, but what the English Speakers have said as laid down by Bourinot. I continue:

"That it is not regular to instruct a committee to entertain a question which is outside of the bill before them."

That is the end of the various decisions as to instruction. All this has to be read in conjunction with the paragraph on page 513, which reads:

Considerable misapprehension appears to exist as to the meaning of an instruction. An instruction is given to a committee to confer on it that power which, without such instruction, it would not have. If the subject matter of an instruction is relevant to the subject matter and within the scope and title of a bill, then such instruction is irregular since the committee had the power to make the required amendment.

I have already indicated that Mr. Speaker Cockburn and many others have ruled that in their view a certain instruction was one that the committee had power to do. I will read this proposed instruction in order to find out whether the committee could not have dealt with it in committee of the whole. The instruction is to provide that no loan or advance shall be made to or agreement made with Trans-Canada unless the majority of the issued shares of its capital stock is owned by Canadians. Clause 6(2) of the bill reads:

The Minister of Finance, at the request of the corporation and with the approval of the governor in council, may from time to time out of the consolidated revenue fund lend money to the corporation on such terms and conditions as the governor in council approves, but such loans to the corporation shall bear interest at a rate that is not less than three and one-quarter per cent per annum.

Do hon. members not think that an additional condition could be placed and be within the scope of the bill?

Mr. Fulton: I do not.

Mr. Speaker: The hon. member for Kamloops says, "No." If it were to be moved as an amendment what would be the condition required? The condition would be that it be relevant to the clause under consideration. Certainly this is relevant to clause 6(2). If I had a chance to read through the bill,

as I am sure my hon. friend has, perhaps I could find many other spots where this thing could be moved as an amendment. Will he not agree that his instruction is not necessary because the committee of the whole has power to deal with the subject matter that he has in mind. In any event I see that there is no particular anxiety to argue against what I have said, but shall I rule now?

Some hon. Members: Yes.

Mr. Fulton: Perhaps I could put a question to Your Honour.

Mr. Pickersgill: It is against the rules.

Mr. Fulton: I think it will save some time. Do I understand Your Honour to be about to rule on the basis that the terms of the instruction are not appropriate because of the citations you have read, or because you feel that the instruction cannot be moved at this stage? I would say that if it were the former, then there would be a difference of opinion between us as to whether in fact the terms of my instruction are proper. But if it is the latter that you are to rule, then there would be a fundamental difference of opinion as to the propriety of an hon. member moving an instruction at this moment. It might be helpful if we could have the discussion narrowed down.

Mr. Speaker: Perhaps I could clarify that point. Generally when the order of the day is read, "House in committee of the whole" the Speaker puts the motion. My first remarks were made on the assumption that I had proposed the motion that I do now leave the chair for the house to go into committee of the whole at that moment. That motion is not debatable and I could not see how anyone could stand up and say anything even to move a superseding motion. This particular phase of our procedure is rather new because it is relatively recently that we have adopted new standing orders. Prior to the session of 1912-13 they were debatable. Citation 165 of Beauchesne's third edition reads:

> A motion for the adjournment of debate upon a question for the adjournment of the house will not be entertained because no adjournment motion can be debated or amended.

It will be seen that that citation has no relevancy to the point at issue, but I draw attention to the last clause which reads:

> —because no adjournment motion can be debated or amended.

He gives a reason in one instance, which is just as good as in any other, that if a motion is not debatable, it is not debatable and no one can stand up and say anything. We had a point like that the other day on the motion to adjourn the house. I will not make the point now, but I have studied the matter and have come to the conclusion that when a motion is made that is not debatable under our rules the only thing for the house to do is to vote.

The motion for instruction was made by the hon. member before I proposed the motion for the house to go into committee of the whole and therefore what applies is the first paragraph on page 512 of Bourinot. The hon. member has made a good case by virtue of the decisions of the English Speakers rather than what is outlined by Bourinot at page 515. He has indicated that in all the precedents he has quoted the house has done exactly as Bourinot says at page 515 should be done, when the house must divide a bill in two or consolidate two bills or when it wants to add a clause which it would not have the power to do otherwise.

I rule on this basis, that the motion of the hon. member for Kamloops at this point is one that is in order from the point of view of the moment at which it must be proposed. Secondly, I say that the instruction contained in there is one that gives the committee instruction to do something which it already has power to do and that, therefore, the instruction is not necessary.

Of course, if the hon. member were to be faced later in committee of the whole with a ruling by the chairman, that the subject matter of his amendment were not to be relevant to any sections, I would say to him that he has a recourse and that, when the bill comes back from committee, he can always move that the bill be referred back with instructions. As he knows, it is merely postponing the matter. So my decision now is that the committee, in my own view, has power to deal with the subject matter of the instructions contained in this motion, and therefore I will rule it out.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on the basis of your ruling that a motion of instruction if made at this juncture is made at the proper moment, provided it is a proper instruction, I rise to move:

> That it be an instruction to the committee of the whole that they have power to consider amending Bill No. 298 by incorporating therein the agreement made on May 8, 1956, between Her Majesty the Queen—

Mr. Speaker: May I interrupt the hon. member before he concludes reading his motion? Is it the contention of hon. members that the floor should be reserved to them with a view to putting these motions to give instructions to the committee of the whole? Hon. members know that it is customary, when there is an order of the house to go

into committee of the whole, that the order is read, the minister indicates he is ready to have the motion proposed, and the Speaker proposes the motion. The hon. member for Kamloops has made one motion, and I have dealt with it. How long am I going to act as if the Minister of Trade and Commerce should not have his motion put forward from the chair and therefore should not be recognized at all, so as to give how many hon. members the chance to move many intervening motions in the meantime?

Mr. Fulton: Mr. Speaker, may I refer you to Bourinot, page 516—

Some hon. Members: Oh! Nuisance.

Mr. Fulton: Bourinot at page 516 deals with that point specifically, where he says:

Mr. Speaker ruled, as above,...

"That any number of instructions may be moved successively to the committee on the same bill, as each question for an instruction is separate and independent of every other..."

That seems to dispose of the point raised.

Mr. Harris: Even assuming that is so, the remarks you made, sir, are extremely valid. Must the government wait while every member of the opposition moves a motion? We have placed one before you; we want it put.

Mr. Diefenbaker: The old steam roller.

Mr. Drew: The government says; it must be so.

Mr. Knowles: That is a point which Your Honour, of course, is in a position to answer. A matter is either right or wrong; it is not to be decided on the basis of whether or not—

Mr. Howe (Port Arthur): Except when you do it; then it is always wrong.

Mr. Knowles: —it is inconvenient to the government.

Mr. Speaker: May I point out to the hon. member that that is not the point at all. The point is that a member gets the floor when he catches the Speaker's eye. It is very simple. Standing order 29 only meets the case when two members rise at the same time, and it states that a motion may be made that a certain hon. member be now heard. But the question is that, when the hon. member rose—after I had just made my ruling, and I had not yet reached the comfort of my own chair, the hon. member was standing. I sincerely believed he was at that moment going to comment on the ruling I had just made. As a matter of fact, that is the way he started his comments, anyway. I did not know that he was going to conclude with another motion and I repeat the point. Whatever is done with respect to this motion one way or the other, I ask the hon. member for Winnipeg North Centre: Am I going to give the floor to every hon. member who wishes to move any other motion but the one that the house do go into committee of the whole at the present moment?

Mr. Knowles: Mr. Speaker, may I point out that I waited, so far as making my own decision whether or not I would move this, until I heard your ruling on the motion made by the hon. member for Kamloops.

Mr. Harris: How innocent!

Mr. Knowles: You made a very clear-cut ruling and divided it into two parts. If I may deal with the second part first, you said that his motion was out of order because of its substance, but before you ruled it out of order on that ground you said that he was in order at this point in seeking to move a motion of instruction. Therefore, relying on page 516 of Bourinot, I feel that if one motion of instruction is in order at this particular time, inconvenient though it may be to my hon. friends opposite, literally any number of such motions may be made provided they meet the conditions that you yourself have laid down. I say to you, sir, that you will be the judge as to whether or not the substance of the motion that I seek to make is in order, whether it is a proper instruction, but I rely on your own statement when you were answering the hon. member for Kamloops that it is appropriate at this point, before the question for going into committee of the whole is proposed, to move a motion of instruction. It was on the basis that I felt I was at exactly the same point in our proceedings that the member for Kamloops was when he rose some time ago and that I had exactly the same right he had then to propose a motion of instruction, subject only to Your Honour's verdict as to whether the substance of my motion of instruction is a proper instruction to the committee. It was on that basis I sought to move it. I should like to move it. I should like to repeat the whole of it, but of course whether or not I may proceed with it I am sure Your Honour will at least let me propose the motion so that you can decide if it is in order.

Mr. Speaker: At this moment the hon. member is in possession of the floor and I will allow him to move it, but perhaps I am a jump ahead. I would imagine that hon. members will be fair in this matter. Here is an order of the day, house in committee of the whole, and I am about to propose that

I do now leave the chair, a motion moved by the minister who pilots this bill.

Mr. Fleming: He has not moved it yet.

Mr. Speaker: There are many things that are sometimes possible but do not happen in a house such as ours, and I would refer hon. members to Beauchesne, citation 227, where, talking about debate under closure, it says:

> The government members, in order to prevent the opposition from proposing such amendments, may keep up debate until two o'clock in the morning . . .

This does not happen because, as hon. members know, the Chair distributes the time among members, and we are faced with the same problem now. If I allow hon. members who want to move instructions to proceed before the question is proposed by the chair that the house go into committee of the whole on this bill, then I leave them in the position where they can move what they consider is a motion in the nature of a substantive motion, whereas if I put the motion of the Minister of Trade and Commerce they are then placed in the position set out in Bourinot at the top of page 513. I ask them: Am I going to delay the proposal of the motion of the Minister of Trade and Commerce if there are four, five, six or seven motions for instructions? Having said that, I think the hon. member for Winnipeg North Centre understands the situation and he can put his motion.

Mr. Fulton: Before that is done—

Some hon. Members: Sit down.

Mr. Fulton: —I wish to explain the situation. I have not intervened lately for this reason. When the hon. member for Winnipeg North Centre rose I was rather under the impression that he was going to speak to the point of order that had been before us. It had been my intention to appeal your ruling on the motion I made. I would request that right now before the hon. member actually makes his motion.

Mr. Speaker: I submit that it is now too late for that to take place.

Mr. Knowles: Mr. Speaker, in view of Your Honour's ruling, which you have now made twice, that it is proper at this time to move a motion of instruction, I move, seconded by the hon. member for Vancouver-Kingsway (Mr. MacInnis):

> That it be an instruction to the committee of the whole that they have power to consider amending Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, by incorporating therein the agreement made on May 8, 1956, between Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited.

I am prepared to speak to the motion if Your Honour will allow it as in order.

Mr. Speaker: The hon. member for Winnipeg North Centre has moved that the committee have power to consider amending Bill No. 298 by incorporating therein an agreement made on May 8, 1956 between Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited. The subject matter of this instruction, moved before the motion for the house to go into committee of the whole is proposed from the chair, is one which, as Bourinot says at page 512, is an instruction of the nature of a substantive motion and has to take precedence over the question that the Speaker do leave the chair. That type of instruction is one that is the subject of a distinct question which I believe requires notice. It falls under the decisions rendered by English Speakers that I referred to a moment ago in the second paragraph on page 515 of Bourinot where it says:

> That notice should be given of an instruction when a member has proposed such as a substantive motion, and not as an amendment to the question, that the Speaker do leave the chair.

If the question that the Speaker do leave the chair had been proposed I said earlier that the hon. member could not have moved his motion by way of amendment because the motion that the Speaker do leave the chair to go into committee of the whole is not debatable. He has moved it before, which is the only place at which it can be moved, but at this moment it is in the nature of something which is not in the bill. He wants to add a document to the bill which probably would be the subject matter of a schedule or an appendix, and it is my view that notice is required for an instruction of this type.

Mr. Coldwell: May I just say one word? An agreement is mentioned in the bill. Such mention is part of the bill. An agreement is clearly mentioned in it. If you look at part II you will find this language:

> (e) pursuant to any agreement in that behalf made, with the approval of the governor in council, before or after the coming into force of this act,. . .

Consequently I argued previously—

Mr. Speaker: Would the hon. gentleman be good enough to give me the number of the clause again?

Mr. Coldwell: Yes, Mr. Speaker. The clause is No. 7 (2) (e). I argued this matter on a previous occasion on second reading. Now we are at the point where I think it is crucial that the agreement should be a part of the bill itself. I submit, Mr. Speaker, that

under your own ruling just now this is certainly the right place to move it and that the motion is in order at this time.

Mr. Speaker: The hon. member for Rosetown-Biggar (Mr. Coldwell) will, I think, agree with me in this. I may say that I had overlooked the fact that in one of the clauses of the bill mention was made of this agreement. But may I ask what there is to prevent the committee from dealing with this matter when the house is in committee of the whole?

An hon. Member: Nothing.

Mr. Speaker: Why should an instruction be given to the committee to incorporate the agreement therein?

Mr. Coldwell: Mr. Speaker, may I submit that is not the point. The point is this. Is it in order to do this at this time?

Some hon. Members: Oh, oh.

Mr. McCann: The agreement is in possession of the house.

Mr. Coldwell: Mr. Speaker, I do not think I have participated before in these discussions of points of order and to hon. gentlemen opposite I would suggest that, since they have closure on their side and are muzzling parliament so effectively, I might be given an opportunity to express my views. I am wondering whether we are in the old German Reichstag or whether we are in the Canadian parliament.

Some hon. Members: Oh, oh.

Mr. Coldwell: Mr. Speaker, I should like to have your ruling.

Mr. Speaker: If the matter is one that is completely outside of the bill and is in the nature of a substantive motion, it requires notice. Speaker's rulings given in Bourinot at page 515 so indicate. If the motion is an instruction to give it power to do something which it already has power to do, then this is the proper time to move it. But it is my duty to decide whether or not the instruction is one which is proper to give to a committee and to include in a motion. I am obliged to give the same ruling as I gave a moment ago based on what Bourinot says at page 513:

> If the subject matter of an instruction is relevant to the subject matter and within the scope and title of a bill, then such instruction is irregular since the committee had the power to make the required amendment.

Does the hon. gentleman wish to appeal my ruling?

Mr. Coldwell: Yes, Mr. Speaker; I wish to appeal your ruling.

[Mr. Coldwell.]

Mr. Speaker: Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Coldwell: I think we must be right occasionally.

Mr. Speaker: I did not hear that last remark.

Mr. Coldwell: I said that I think we must be right occasionally.

An hon. Member: A reflection on the Chair.

Mr. Speaker: Order. The hon. member for Rosetown-Biggar, in reply to my question whether he wished to appeal my ruling, answered yes and added these words, "I think we must be right on some occasions". On reflection I think the hon. member will agree that in those words there is an implication that, although he may be right on some occasions, I declare him to be wrong. I do not think he will want to leave any implication that the occupants of the Chair are not impartial. Do I take it that, in spite of what I have just said, the hon. member for Rosetown-Biggar wishes to rest on the words he has just used?

Mr. Coldwell: Mr. Speaker, I think you are human like the rest of us and that you err. In some of these rulings I think that right has been on our side, although you have seen the matter differently.

Mr. McCann: That is worse.

Mr. Speaker: I should like to comment on this matter. I will refer the hon. member to citation No. 1 in Beauchesne's third edition. I totally agree with the hon. member when he says that I am human and that I may err. But I should also like to remind him that the house, if they think that I have erred, have a recourse.

Mr. Coldwell: In order to save time, Mr. Speaker, I will withdraw any reflection that you feel I made on Your Honour.

Mr. Speaker: Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

When "orders of the day" were called, Mr.

Knowles, seconded by Mr. MacInnis, moved that it be an instruction to the committee of the whole that they have power to consider amending Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, by incorporating therein the agreement made on May 8, 1956, between Her Majesty the Queen in right of Canada and Trans-Canada Pipe Lines Limited.

I ruled that the proposed motion was out of order on the ground that the subject matter of the instruction was within the terms of Bill No. 298, and since the committee had power to consider the proposition, the proposed instruction was not necessary. I based my ruling on the following comments in Bourinot's fourth edition at page 513:

"If the subject matter of an instruction is relevant to the subject matter and within the scope and title of a bill, then such instruction is irregular since the committee had the power to make the required amendment."

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

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Laflamme
Lafontaine
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Tucker
Viau
Villeneuve
Weir
Weselak
White (Waterloo South)
Wylie—153.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
Van Horne
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—66.

Northern Ontario Pipe Line Corporation

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker—

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker—

Mr. Speaker: Order. Two hon. members are on their feet at the same time.

Mr. Howe (Port Arthur): Mr. Speaker, I move the motion standing in my name.

Mr. Fleming: Could you not wait until the Speaker recognized you? We have to observe the rules of the house.

Mr. Speaker: Has the Leader of the Opposition risen on a point of order?

Mr. Drew: I propose to make a motion which is appropriate in relation to the ruling made by the Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. Would hon. members be kind enough to let me hear what is being said?

Mr. Drew: Mr. Speaker, I intend to make a motion to divide the bill, a motion which can only be made at this time when the motion has been put that the Speaker leave the chair. In that respect I would refer to page 2411 of *Hansard* for March 19, 1948, and the statement attributed to the Minister of Trade and Commerce which reads:

> Mr. Howe: I am simply making a statement as I said I would at this time. I said that after the second reading of the bill, before the Speaker had left the chair, I would move to take the power in committee to divide the bill in order to report one section and to send another section to a committee.
>
> The purpose of that offer was to expedite the passage of the bill. I might point out that some eight days have elapsed since then, and every section of the bill has been thoroughly debated. The objective of saving time has not been achieved, and I see no purpose at the moment in putting this motion. However, having said I would do so I am willing to move it, but it is obvious, I think, that the motion will be voted down.

The Minister of Trade and Commerce then moved:

> Mr. Howe: I move, Mr. Speaker, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order that one may deal separately with oats and barley.

That motion was accepted and was voted on at that time on the understanding that it was appropriate that this motion to divide the bill be made before the bill went into committee, otherwise there could be no effective discussion on the basis of the division of the bill. Seeing that we have this precedent from the Minister of Trade and Commerce I would hope it would be acceptable, certainly to the Minister of Trade and Commerce if not to anyone else. Also I would point out a statement in Bourinot's Parliamentary Procedure, fourth edition, on page 515, which reads:

> That it requires an instruction to divide a bill into two parts or to consolidate two bills into one.

Now, Mr. Speaker, as has already been pointed out, we have before us one part of this bill dealing distinctly with the northern Ontario pipe-line section, what is described as the northern Ontario bridge. We have another part of that bill dealing with an entirely separate problem, separated in fact by a gap of 110 miles between Winnipeg and the Ontario boundary. There are two different projects which are appropriately the subject of two different bills. I submit, Mr. Speaker, the only time it is possible to raise this motion and to avoid unnecessary discussion which would later prove to be fruitless would be at this very moment, and I therefore move—

Mr. Speaker: May I interrupt the hon. member to say that I agree with him and I will accept his motion. What he has said confirms the two rulings I made earlier.

Mr. Drew: I move, seconded by the hon. member for Dufferin-Simcoe (Mr. Rowe):

> That it be an instruction to the committee of the whole that they have power to divide Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, into two bills in order that one may deal separately with the financing and construction of the proposed pipe line from the Alberta boundary to Winnipeg.

Mr. Speaker: There is no question but that this motion is in order, because it is an instruction to the committee of the whole that the bill be divided in two. It is also in order by virtue of Bourinot's comments on the decisions of English Speakers which have been laid down with respect to instructions as reported on page 515, one being as follows:

> That it requires an instruction to divide a bill into two parts or to consolidate two bills into one.

Naturally that motion has to be made before the motion is put for the house to go into committee of the whole. This is the type of instruction which is not in the nature of an amendment but rather of a substantive motion. The only point I would put to the house before I put the motion is one which I have some doubts about. I know the Clerk has gone to look up some references in this regard. I refer to the fact that this motion comes up without notice at this juncture of our proceedings when we have an order of the house to go into committee of the whole. The only formal procedure which separates us from reaching the committee is the motion that I do now leave the chair for the house to resolve itself into committee of the whole. The question as to whether this motion not

being on the order paper is one that is debatable by virtue of standing order 32 must be decided. I would certainly prefer to delay having to rule on that point. Standing order 32(2) reads:

All other motions, including adjournment motions, shall be decided without debate or amendment.

I do not see listed in standing order 32(1) this type of motion, which if it were to be debatable would have had to be preceded by a notice by virtue of standing order 41.

Mr. Drew: Mr. Speaker, I sat down because Your Honour had risen, but my remarks at this stage will not be extensive. I read the quotation from *Hansard* to show that a vote of this kind has already been accepted in the house and Your Honour has ruled that it can be accepted. I need not extend any comments on that point.

I would point out, however, that the minister in whose name the motion now before us stands has indicated his approval of this course on other occasions. I would point out that we have two distinct subject matters. We have already indicated our view in regard to that part of the measure which relates to the northern Ontario bridge. However, we have something entirely new, and that is the construction not by a crown corporation of any part of the proposed length of the pipe line, but rather we have the proposal for an advance of public money to Trans-Canada Pipe Lines Limited to construct the western section from the Alberta boundary to the vicinity of Winnipeg.

Surely that subject can best be debated as a single subject. It stands alone. It is obvious that unless the purposes of that part of the act are fully carried out by next spring, then the whole question of the northern Ontario bridge is deferred because the crown corporation will not have enough money to proceed. Therefore it is appropriate and advisable that the discussion relate to a bill dealing with the advance of money to the western section, and that we should deal quite separately with what is an entirely different proposal, not the advance of money to Trans-Canada Pipe Lines Limited but an advance of money to a crown corporation for the purpose of publicly building a segment of this pipe line through northern Ontario. Those are so distinctly different that I do not think they should have been incorporated in one bill, and my motion is designed to bring about that separation.

Mr. Speaker: I take it that the Leader of the Opposition was just further explaining the purpose of his motion but, as I say, in my view this would not be debatable. Would the hon. member for Kamloops enlighten me?

Mr. Fulton: Yes, Mr. Speaker. Of course the precedents upon which we place most obvious reliance are the two that have already been referred to, in the year 1948. Standing order 32, I think it is now, was amongst our rules at that time though it was then under a different number. Yet in 1948 debate was permitted, occupying some 5½ pages of *Hansard*, on the motion of the member for Winnipeg North Centre to instruct the committee, a 5½ page debate on the merits of the motion itself, not on a point of order. When the Minister of Trade and Commerce —and of course this is a most compelling precedent—made the motion, exactly on all fours with the one now made by the Leader of the Opposition, to divide the bill into two in 1948, he spoke for a length of time which occupies about three-quarters of a column of *Hansard*.

It is, of course, axiomatic that if the motion is not debatable we cannot say anything about it. All you can do is move it; but the minister did say something about it. It is true we did not debate it at any length but he did speak about it, and no one challenged his right to do so, and the debate was allowed.

So on two occasions at least that have come to my notice, notwithstanding that we had the same rule to which you have now made reference, debate has taken place in this house, on one occasion debate on a motion exactly similar to that made by the same minister who is involved now, and that minister was allowed to debate it.

Surely there can be no question that there would be one facility extended to the government and not the same facility extended to the opposition. That, sir, is a proposition I know you will not permit to govern in this house. Therefore on the basis of the precedents of our own parliament, this motion is clearly debatable.

Mr. Speaker: I am really touched by the sensitiveness of some hon. members.

Mr. Knowles: Mr. Speaker, may I just add as a third precedent the case of April 16, 1948, when the member for Ottawa West, on behalf of the Minister of Trade and Commerce, moved a motion of instruction. It appears on pages 3041 and 3042. It was spoken to by the then member for Muskoka-Ontario, the present member for Greenwood, and there was a further comment by the Minister of Trade and Commerce. In other words, without any question that motion for an instruction was debated, and the result on that occasion was that the motion carried.

Mr. Speaker: There is no question that if the motion is debatable we have a debate. If the motion is not debatable, the fact

that it might have been debated on two or three occasions does not make a motion any more debatable now. Standing order 32 outlines the motions that are debatable and indicates that all other motions are not debatable.

Hon. members know that sometimes debates take place when they are not supposed to take place. For instance, I can show hon. members five or six pages of debate when a member had moved a motion with an asterisk for the production of papers, and that surely is not debatable. Nevertheless, probably because of the indulgence of the house and because of the good nature of the Speaker, some of these things do take place. But is it debatable or is it not?

Some hon. Members: No.

Mr. Speaker: I do not want to prolong the point unduly, but I would like to have a chance to take a look at the references that have been referred to. I shall ask the Deputy Speaker to take my place while debate may be carried on, and I shall go and look at those—

Some hon. Members: Oh.

Mr. Speaker: I think we shall gain more by patience than by anxiety. I want to have a look at these references because I take it that it is the contention of hon. members that, because of these various precedents, where some short discussion has taken place, it makes the motion debatable. My contention is that if it does not come within the specifications of standing order 32, it is not debatable. At any rate, I want to go and look at the references that the Leader of the Opposition and the hon. member for Kamloops have quoted. To make sure that I have them right, I have one on April 16, 1948, pages 3041 and 3042, and would the hon. member for Kamloops be good enough to repeat the numbers of the pages for the other two references?

Mr. Fulton: I think they were pages 2207 and 2411 of *Hansard* of 1948. I can confirm that with Your Honour later. I believe also that there is a passage in May on this matter, on page 526, under the heading of "Debate thereon."

Mr. Speaker: I would not place much reliance on the subject headings because over there they have provisions for notices which we do not have. Although it may be brought to a debate in the United Kingdom house, I do not think the same provisions apply to us.

[Mr. Speaker.]

Mr. Fulton: I shall not read it, but I would refer Your Honour to page 526 of May. Those are the authorities that occur to me at the moment.

Mr. Harris: Mr. Speaker, there is a motion before the house. I therefore move:

That the house do now proceed to government order No. 2.

Mr. Fleming: More closure. One gag and one guillotine after another.

An hon. Member: Why not adjourn parliament?

Mr. Fulton: There is a motion now before the house. I think a substantive motion is always a superseding motion, in other words one that takes priority. We have had a discussion of that over the motion of Your Honour to leave the chair. The motion for Your Honour to leave the chair can only be put, in fact, after the orders of the day have been put, and I submit that no other superseding motion can be moved at this stage while the discussion in under way on the particular motion now before the house. It must have priority.

Mr. Knowles: Mr. Speaker, one other point of order. If the motion of the Minister of Finance is regarded by Your Honour as in order, that means you are assuming that the motion before you is a debatable motion.

Mr. Speaker: I hope I shall not have to decide that point; but, while I am asking the house to give me a chance to look at the precedents that have been quoted, I want to say that in my view, if it were not my genuine desire to deal with the utmost fairness with respect to this particular matter, as I do with respect to any other, I would make a ruling now, and my ruling would be that this motion is not debatable. But I am giving latitude to debate while I go and look those up, and I shall be able to do that only inasmuch as I leave the chair. In the meantime, while this latitude of debate was being accorded, the minister has indulged in the same sort of latitude and said, "I shall move a motion. While this is allowed to be debated, I shall move my motion."

But I should like to ask the Minister of Finance if he would be good enough not to press this motion. At this moment I should like the house to consider that I am concerned not so much with procedural wrangles but to make sure that whatever motions are being made are dealt with in a proper manner. If hon. members are going to concentrate their efforts on throwing all kinds of motions my way, I want to tell them that they risk,—if they insist that

I make snappy rulings, I shall make them to the best of my ability—but if it happens that in the future they are not considered as being proper, then we will have precedents established that will not be the right ones.

Mr. Drew: Mr. Speaker, in view of the fact that Your Honour has said that if hon. members are throwing all sorts of motions at the Chair then members must accept the consequences, I would point out that this is the only time this motion can be made. There was no time before; there will be no time afterwards. Your Honour has already accepted that. Without in any way questioning the intent of what Your Honour said, I would not want any suggestion that this is just a motion thrown out for the purpose of adding a motion to these debates.

This is a motion which has itself been used by the Minister of Trade and Commerce on another occasion with the explanation as to why he thought it was appropriate. I would hope that it would be realized that there is a fundamental reason for considering this carefully. Certainly, whether it be to adjourn this discussion or to permit the discussion to proceed, I would strongly urge that Your Honour should not make any hasty decision, because this is something that has been dealt with and the practice has been accepted. I would certainly regret very greatly that any hasty ruling now would deny a long-established privilege to give instructions at this point before a committee goes into discussion of the bill, if in fact there is reason for dividing that bill as we suggest.

Mr. Harris: Mr. Speaker, I quite appreciate the position in which you find yourself at the moment, as I am sure all hon. members do. It seems to me that if you were to rule that a motion presented by the Leader of the Opposition is non-debatable, then we would in fairly short order dispose of it by a vote. If on the other hand, you were to hold that it was debatable, you would have to deal with the motion I have presented to you.

Under those circumstances it would seem that if you feel the ruling which you want to make is a ruling on the first motion, as I presume you do, it would perhaps be in the best interests of ordinary procedure in the house, in view of the time we may take in coming to this question, to allow for a time of suspension for Your Honour to consider a ruling on the first motion of the Leader of the Opposition. It is a little unusual, perhaps, for the house to remain in what might be called suspended animation while you consider the situation; nevertheless it seems to me that is all that could be called for at the moment.

Mr. Speaker: I am positive that this motion is not debatable. I am sure that it cannot be debatable at this time, because you cannot have debate on a motion without notice. Here is a motion for which debate is certainly not provided for by standing order 32. What puzzles me is that I am quoted three precedents where, they say, five pages of *Hansard* covered the debate that took place.

Mr. Howe (Port Arthur): Mr. Speaker, may I call your attention to the fact that due notice was given that that motion would be made. It was given on second reading. In fact, an undertaking was given to the house.

Mr. Fleming: No formal notice.

Mr. Speaker: Precisely what I thought might have been the case.

An hon. Member: No.

Mr. Speaker: But I have no knowledge of these things at the moment. I cannot be expected to have precedents in my mind, the numerous precedents in every case. I think the suggestion I made a moment ago seems to be now generally acceptable, that the house allow me a few minutes to go and check these precedents that have been quoted, and in the meantime the debate will have to take place.

Mr. Howe (Port Arthur): What debate?

Mr. Speaker: What do you suggest should take place; that we should suspend the house?

Mr. Harris: Mr. Speaker, I do not suggest that we suspend the house. I thought I made it clear that I think all hon. members will be glad to remain where they are while you consider the matter in the same way that you would consider it if you remained in the chair. You often take time to look at the books before you, and I expect you would want to take a little longer to look at other books. Nevertheless, while you are doing that the house remains more or less silent and awaits your decision.

Mr. Hodgson: Why not dissolve the house and go to the country?

Mr. Fleming: May I give one brief reference that I hope will assist you in coming to your conclusion on the point of order that has been raised. You have had a reference to the discussion that took place on March 15, 1948, on a similar motion. It will be recalled that after the motion was introduced by the hon. member for Winnipeg North Centre the member of the house who followed him was

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Mr. Ilsley, who was recognized as one of the leading authorities in the house on the rules of the house. Mr. Ilsley opened his remarks with these words, as recorded at page 2210 of *Hansard:*

> I presume I may now speak to the motion of the hon. member for Winnipeg North Centre. The hon. gentleman gave no notice; therefore I have been able to give it consideration only during the last few minutes.

Then he went on and made his statement, and about half a dozen other members of the house also participated in that debate.

The Minister of Trade and Commerce has just now made a reference to what occurred in the house on March 19, 1948, and has intimated to you that he gave notice.

Mr. McIlraith: He did.

Mr. Fleming: He did not give notice. There was no formal notice at all. Hon. members who were in the house at that time will remember what happened. At that time the minister said—

Mr. Speaker: May I interrupt to ask the hon. member for Kamloops, while I am listening to the hon. member for Eglinton, to bring me the *Hansards* in which are contained the previous references so I may be in a position to make a decision as soon as possible? Would the hon. member for Kamloops be good enough to send me the *Hansards*?

Mr. Fleming: I have the volume and I will pass it up to you.

Mr. Knowles: I will let you have mine, sir.

Mr. McCann: You sit down.

Mr. Fleming: I have nearly finished. The minister said today that he had given notice. He had not given notice. There was no formal notice at all as required by the rules if this was an amendment that required notice. All that was said in the course of the debate on an earlier day was that the minister gave an oral undertaking to the house that he would introduce this motion when that stage was reached. That was no notice at all.

Mr. Pickersgill: You can give notice in the house. It has been done over and over again.

Mr. Fleming: That is not the notice we are talking about at all. The Minister of Citizenship and Immigration is far astray of the mark. If notice is required it is a formal notice as prescribed by the rules. It is not a mere statement in the course of somebody's remarks in the house—

Mr. Pickersgill: There was already unanimous agreement on that occasion.

Mr. Fleming: —that he will make a proposal to the house. That is not the notice we are talking about at all. The Minister of Citizenship and Immigration is even more astray than he usually is.

Mr. Pickersgill: There was already unanimous agreement.

Mr. Fleming: In the light of the references that have been cited here today the integrity of those precedents in relation to the subject now under discussion is, in my submission, unchallengeable.

Mr. McIlraith: I should like to comment on one point raised by the hon. member for Winnipeg North Centre. He referred to the motion made by me on April 16, 1948, as found at page 3041 of *Hansard,* and used that as a precedent to indicate that there was a debate on a motion for an instruction to the committee. I would point out to you, Mr. Speaker, that one member rose and started to speak, the hon. member for the then constituency of Muskoka-Ontario. During the course of his remarks it was pointed out to him that he was asking questions and he immediately resumed his seat and the house went into committee. Then he proceeded with his speech.

Mr. Knowles: After a page of debate.

Mr. McIlraith: Yes, but he immediately desisted from debate when the matter was drawn to his attention.

Mr. Tucker: May I draw one point to your attention, Mr. Speaker. At page 658 of Beauchesne, third edition, I find the following:

> The house cannot instruct a committee of the whole to amend a bill respecting public expenditure, so as to alter the nature of the expenditure recommended by the crown.

If you were to entertain the motion, Mr. Speaker, that the committee should divide the bill you would alter the whole foundation on which the bill is based. These two proposals are tied together and you would be changing the whole basis upon which this legislation has been recommended by the crown. Clearly a motion like that made by a private member of the house, not a minister of the crown, would be out of order because surely it would change the whole basis on which this recommendation by the crown is based. I cite that to Your Honour.

Mr. Knowles: May I point out to you, Mr. Speaker, that you have already ruled that the motion is in order. You did that some time ago. The point you are considering now is whether or not the motion is debatable.

Mr. Speaker: Yes. I do not like these situations of indecision. Reference has been made by the hon. member for Kamloops to

page 2411 of *Hansard* of March 19, 1948 as an instance when a motion to instruct the committee to divide a bill had been debated. I now have the text and at page 2411 I find the following:

> Mr. Howe: In the debate on the resolution, Mr. Speaker, in response to a motion from the C.C.F. party that the bill be divided and the coarse grains section sent to a committee—
>
> Mr. Coldwell: It did not come from the C.C.F.
>
> Mr. Wright: On a question of privilege—
>
> Mr. Howe: I am simply making a statement as I said I would at this time. I said that after the second reading of the bill, before the Speaker had left the chair, I would move to take the power in committee to divide the bill in order to report one section and to send another section to a committee.
>
> The purpose of that offer was to expedite the passage of the bill. I might point out that some eight days have elapsed since then, and every section of the bill has been thoroughly debated. The objective of saving time has not been achieved, and I see no purpose at the moment in putting this motion. However, having said I would do so I am willing to move it, but it is obvious, I think, that the motion will be voted down.
>
> Mr. Ross (Souris): The minister distinctly made the statement that he would adopt this procedure to divide the bill and refer section 5 to the agriculture committee.
>
> Mr. Howe: I move, Mr. Speaker, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order that one may deal separately with oats and barley.
>
> Some hon. Members: No.
>
> Mr. Speaker: Mr. Howe moves, seconded by Mr. Gardiner—
>
> Some hon. Members: Oh, oh.
>
> Mr. Speaker: —seconded by Mr. McIlraith, that it be an instruction to the committee of the whole that they have power to divide Bill No. 135 into two bills, in order that one may deal separately with oats and barley.
>
> The house divided on the motion (Mr. Howe) which was negatived on the following division:

It seems obvious that in this case the motion to divide a bill took place in response to a request to that effect that had been made at a previous stage in committee, and that the debate that took place consisted of the statement of the minister that he had made a pledge that he would do so and he was going to do it. Then there is reiteration by the then hon. member for Souris that the minister had distinctly made the statement that he would move that the bill be divided. I do not think we can say because of this that the motion to instruct the committee to divide the bill was debated. Would the hon. member be good enough to give me the reference to the place where he found five pages in *Hansard*?

Mr. Knowles: Pages 2207 to 2213 of that same volume of mine that you have in your hand.

Mr. Fleming: The reference I gave was page 2210.

Mr. Speaker: I see that this volume belongs to the library.

Mr. Knowles: The library has it charged to me.

Mr. Speaker: Page 2207. I see now that the hon. member for Winnipeg North Centre keeps a good note of all the motions he proposes. On that occasion, as appears at page 2207 of *Hansard* of March 15, 1948, he proceeded to propose a motion and he said this:

> The procedure I wish to follow is identically the same as that which the Minister of Trade and Commerce (Mr. Howe) told us the other day it was his intention to follow with respect to Bill No. 135.

We have dealt with that matter. Then he gave all his authorities supporting the move he was proposing. It is true that his measure had to do with the Transitional Measures Act. I can see that he spoke at quite some length. However, I think he will agree with me that he was not so much debating the merits of the motion itself as the authorities supporting him in what he was doing. I note that at page 2208 he points out the citations in Beauchesne, Bourinot and May with respect to the differences between permissive and mandatory instructions. Then Mr. Smith, the then hon. member for Calgary West, asked a question and Mr. Knowles answered. Then Mr. W. Garfield Case spoke for about three paragraphs, then Mr. Ilsley and then Mr. Smith again.

What strikes me is this. Mr. Smith spoke three times. We can speak only once on a debatable motion.

Mr. Fulton: If he spoke three times, perhaps it is three times as debatable as any other motion.

Mr. Speaker: Mr. Ilsley himself spoke and there was an interjection by the hon. member for Winnipeg North Centre. Then Mr. Ilsley continued. He was interrupted by Mr. Smith of Calgary West, who took the floor. Then Mr. Ilsley spoke again. Mr. Knowles spoke again. Mr. Ilsley spoke. Then Mr. Knowles made an interjection. Then Mr. Ilsley spoke again.

This was not a debate as we understand it, where a member speaks to a question only once. The hon. member for Winnipeg North Centre will agree with me, I am sure, that this debate took place with the indulgence of the house upon a motion moved by the hon. member with respect to an extremely important measure, namely the Transitional Measures Act, and that it is evident—because if the motion was really debatable, all the rules of debate were violated during that particular debate by members speaking two

or three times to the same question—that the debate took place because of the climate which prevailed in the house at that time and by unanimous consent.

Mr. Fleming: No, Mr. Speaker.

Mr. Speaker: The hon. member for Eglinton may say no, but I cannot conceive that a Speaker would allow the hon. member for Winnipeg North Centre to propose a debatable motion, then allow the then hon. member for Calgary West to speak three or four times and even the then minister of justice himself to speak three or four times and the original mover of the motion, without closing the debate, himself to speak again two or three times.

Mr. Fleming: With respect, Mr. Speaker, may I say this. You say that the then hon. member for Calgary West, Mr. Smith, spoke several times. With great respect, may I say that I think that is a misapprehension. If you will look at page 2209 you will find that he asked a question. That was all he did the first time.

Mr. McCann: He said he spoke.

Mr. Fleming: Just a minute. If you will look at page 2210, Mr. Speaker, you will find that he spoke in opposition to the motion. At page 2212, all he did was to throw in from his seat an interjection which *Hansard* caught. That was all he did. He said, "I am agreeing with you" in reply to an observation made by Mr. Zaplitny. This was not a free-wheeling discussion, Mr. Speaker, with all the rules waived. There is not a word said here to indicate that there was any consent on the part of the house that there was to be a free discussion on a motion that was not otherwise open to debate. With respect, Mr. Speaker, in your attempt to give a quick reading to some seven pages of *Hansard* under the pressures of the moment I think you have not correctly followed the discussion. With great respect, I do not see how anybody could hope to absorb the course of this discussion which is reported on seven pages of *Hansard* in the time that you have had available.

Mr. Pickersgill: Including the hon. member who is now speaking.

Mr. Fleming: Fortunately not including the Minister of Citizenship and Immigration (Mr. Pickersgill), because in 1948 we were spared his silly interruptions. There were in the house in those days people who knew something about the rules and Right Hon. J. L. Ilsley was recognized as an authority on the rules.

[Mr. Speaker.]

Mr. Speaker: Order. Shall we discuss the point of order? Was the hon. member for Winnipeg North Centre going to say something?

Mr. Fleming: I was in the middle of saying something.

Mr. Speaker: I take it that the hon. member for Eglinton had not concluded his remarks. Will he speak to the point of order?

Mr. Fleming: That is correct, Mr. Speaker. I was observing that the member on the government side at that time who participated in that debate, namely Right Hon. J. L. Ilsley, then minister of justice speaking for the government, was recognized as an authority on the rules. There was on his part no objection whatever. There is not a suggestion, not a word on his part, to indicate that the motion was not debatable. On the contrary he takes note of the fact that no notice was given, and he is speaking to the motion with the handicap of not having that notice. But he uses these words, "I presume I may now speak to the motion". What could be plainer than that, Mr. Speaker? There is the voice of the government on that occasion, and an authoritative voice having regard to the knowledge of the rules of the house.

Mr. Pickersgill: Mr. Speaker, I may be a very new member of the house and I may not know the rules very well. But when the hon. member said that Mr. Ilsley drew attention to the fact that this was done without notice, it seems to me that he implied that in the ordinary course it would require notice. Even in the short time during which I have been in the house I have seen a great many things that were contrary to the rules done in this house by general consent, though it was quite tacit consent. It is perfectly obvious that is what happened on this occasion. I should like to disabuse the mind of any hon. member who thinks there is any unanimous consent to go on with the debate on this motion today, because I for one would never give it.

Mr. Fleming: Mr. Speaker, you were in the house on that occasion. You were a member of the house at that time. We have all this talk now conjuring up something that did not exist at the time, namely the idea of consent. Mr. Speaker, will you bear in mind the fact that this was a contested motion and that it resulted in a division in the house. There was no consent at all to its being proceeded with. On the contrary, it was formally contested, and it resulted in a division. Let there be no more silly talk about this debate having proceeded on the basis of consent. Talk of that kind comes from people who were not even in the house at the time.

Mr. Knowles: Your Honour will observe, because you have the *Hansard* in front of you, that Mr. Ilsley's reference to not having notice was a case of laying the foundation for the fact that his remarks had to be extemporaneous. He said in the next sentence—I have not the *Hansard* in front of me but I am familiar with the passage—that accordingly he had not had any more time than the time during which I had been speaking to collect his thoughts about this issue. He did not refer to lack of notice as an objection to the motion at all.

The other point that I was going to make, Mr. Speaker, was this. Your Honour and all of us are familiar with the practice of *Hansard* in that it puts members' names in *Hansard* in full when they are making formal speeches with the Speaker in the chair; whereas they put the member's surname only, just Mr. Fleming or Mr. Pickersgill, as the case may be, when he makes an interruption or asks a question of the member who is still on his feet. Since you have the *Hansard* in your hand and I have not, is it not correct to say that my name appears in full and so does Mr. Ilsley's; and one or two others may be there in full as well. It means that those so-called repeated speeches by Mr. Smith and Mr. Case were interruptions in the speeches of other hon. members who had the floor. It seems to me that when Your Honour is presented with this situation it is hard to deny that that was a formal debate on a contentious issue which, as the hon. member for Eglinton has pointed out, ended with a recorded division.

Mr. Fleming: May I add one sentence? May I draw your attention to the fact that every time on these pages the hon. member for Winnipeg North Centre appears to have been speaking on the matter he spoke in reply to a question. In every case it was a reply to a question, nothing more; it was not an additional speech.

Mr. Speaker: It seems to me that there is only one way to settle this and that is to quote the passage in *Hansard* on which the whole argument is based to contend that this motion is debatable. I say that by virtue of standing order 32 this motion is not debatable, and I would go further and say that the first instance on which it was contended that the motion had been debated, namely when Mr. Howe moved a motion regarding the dividing of a bill which related to oats and coarse grains, at that time the motion was put to the house but was not debated except for a clarification which had to be made regarding the statement which the minister had made in committee and by virtue of which he had promised to make a motion to divide the bill later and that motion was defeated. The only other place that has been suggested as a precedent is where a debate took place when the hon. member for Winnipeg North Centre moved a motion to give instructions to a committee to divide a bill, and it appears on pages 2207 to 2213 of *Hansard*.

There are some differences of opinion as to whether or not this was a debate. It appears to me, from a quick reading of the various remarks that were made then, that it was not a debate on the merits of the motion proposed by the hon. member; it was rather a debate relating to the practical value and order of the motion which the hon. member had proposed. Mr. Knowles said:

> Before Your Honour accepts the motion that Mr. Speaker leave the chair and the house go into committee of the whole on Bill No. 136, I should like to propose a motion of instruction to the committee. The procedure I wish to follow is identically the same as that which the Minister of Trade and Commerce (Mr. Howe) told us the other day it was his intention to follow with respect to Bill No. 135. He indicated at that time that after the second reading of the bill had been passed he would move an instruction to the committee that they have power to do so and so with that bill. It is my intention at this identical stage to move as an instruction that the committee of the whole have power to carry out a certain procedure with respect to Bill No. 136 which is now before us. I do this, Mr. Speaker, under the authority of citation 407 of Beauchesne, third edition, which reads as follows:
>
> "An instruction is a motion empowering a committee to do something which it could not otherwise do, or to direct it to do something which it might otherwise not do. It directs the order and course of the committee's proceedings and extends or restricts the order of reference according to the discretion of the house."
>
> Citation 410 indicates when and where such a motion as I am about to make is in order. It reads:
>
> "An instruction to a committee of the whole is a motion which ought to have the right of way on the question that the Speaker do leave the chair."
>
> I take it that it was on the authority of that citation that the Minister of Trade and Commerce outlined his proposed procedure the other day. It is on the same basis that I now rise, Mr. Speaker. I think it is only fair I should not go any further without indicating the nature of the instruction which I wish to move. I shall move it at this time, seconded by my colleague, the hon. member for Mackenzie (Mr. Nicholson):
>
> "That it be an instruction to the committee of the whole that they have power to amend Bill 136 by inserting therein the following section:

Then follows section 2 and subsection 4. Then Mr. Knowles continued:

> The Minister of Justice will recognize immediately that this is a point we raised last year when we were in committee on the original bill which was then before us. At that time, since we had the bill before us, it was competent in committee of the whole to move an amendment to section 4. Section 4 was, as I say, at that time before the committee of the whole. This year however we have before us, as the Minister

of Justice has just indicated, a very simple bill with only one section, and it could be argued that that bill will bring before the committee of the whole only section 7 of the original act. Therefore if in the committee of the whole I were to rise and attempt to move an amendment to section 4 of the original act, it is altogether likely I would be told that section 4 is not before us, and therefore I would not be able to move an amendment to it.

That is my reason for moving that the house now pass this instruction to the committee, giving the committee the authority to take up section 4 and amend it by inserting another section in the bill now before the house.

I draw to the attention of the minister the fact that last year when I proposed this matter I did so on April 17, suggesting a wording which I felt met my point. The minister, although he did not agree with my motion, treated it with respect and asked that the matter stand, and the next day he suggested an alternative wording which is to be found at page 2181 of *Hansard* of April 18, 1947. The amendment which the minister then said would meet my purpose was:

Then comes the amendment. The hon. member continued:

I accordingly withdrew the amendment in the form in which I had worded it in the first place and moved an amendment in the form in which the Minister of Justice suggested it to me.

I could carry on like this throughout the rest of the speech made by the hon. member for Winnipeg North Centre, and if I have to I shall do so. But it seems to me that what the hon. member did at that moment was to make his point that the motion he was proposing was one that was in order and one that he had to make if he were not to be deprived of the right of making some amendments in committee; and at the same time it was meeting the point the Chair might have made that his motion was not to be received because it was empowering the committee to do something which otherwise it would not have the power to do. It is true that the late hon. member for Calgary West, Mr. Smith, at one point asked a question only of the hon. member for Winnipeg North Centre, to which the hon. member replied.

Then Mr. Garfield Case took the floor and said:

From what the Minister of Justice said the other day in explanation of the resolution I understood that the committee of the whole would have an opportunity to discuss any section of the act.

It is not the motion that is being discussed; it is the question of order and the question of the priority of the motion and the practical value of it that is being debated at the time. Mr. Case continued:

I am interested in one particular section. We have been told by the Minister of Finance that the law officers of the crown discovered a provision in the act which even the administration did not know existed, which they said would permit the government to carry out what we have been inclined to call the austerity program. I do not think the government itself expected that the measure presented and passed last session would delegate such wide powers to the administration. For that reason I think when the committee of the whole is considering this bill clause by clause, or any part of it, we should have the right to seek out and deprive the governor in council of the right to deal arbitrarily with any situation with which parliament itself should deal.

We have heard a good deal about the legality of the taxes which have been imposed, and so on. By the admission of the Minister of Finance himself the administration must find itself in an embarrassing situation today, when it is asking parliament to condone something which was done on November 17 and which it had or had not legal authority to do. So I think when the committee is considering this bill, if any direction is to be given we should be privileged to review the act and suggest amendments thereto, so we may feel more secure and may know that we are returning to at least some semblance of democratic government.

At this moment Mr. Ilsley took the floor and said that the matter had come before him without notice and therefore he was not as well prepared to discuss it as he otherwise might have been, but he went on to say:

I am inclined to think no harm would be done by giving this power to the committee. What we should do in committee is another matter. Last year I took the view first, I think, that I was indifferent to a similar motion, because I regarded it as an empty gesture; and I think it is not much more than an empty gesture at the present time. The preservation of the regulations of the wartime prices and trade board, exactly as they are contained in the schedule, gives the government full power to revoke individual controls under those regulations at any time they wish. For instance, they could remove any particular commodity from the operation of the regulations. It was for that reason last year that I thought it did not make any difference whether or not a similar provision passed. Finally, however, I stated that as a member of the committee I would vote against it. While expressing indifference as to whether it passed or not, I said I would vote against it, and it was voted down because it seemed to do something that actually it did not do.

The hon. member thinks that if this provision is added to the bill perhaps it will exercise some moral pressure upon the government to keep price controls on a little longer than they otherwise would. But that is the most that can be said for this resolution. In practice it may accomplish absolutely nothing. At the same time I do not think I can oppose the motion. I think the committee ought to have the power to make this amendment to the bill if it wishes. But what position I will take and what position the government will take on the amendment when the hon. member proposes it in committee is another matter.

Those who are more directly connected with the administration of this measure are giving it some attention at the present time. Perhaps there is some reason why it is important now that we do not surround the revocation of this order and the individual provisions of the order with these restrictions. Perhaps there is some reason why we should not now do that. It does seem somewhat illogical that the committee a year ago would vote against a provision like this.

From what I have read it appears obvious that Mr. Ilsley said the motion was an empty gesture, but nevertheless he was not going to oppose it.

Mr. Fleming: He discussed the motion on its merits.

Mr. Speaker: Well, it is very difficult to differentiate when a debate takes place, especially when it takes place as it did on that particular occasion, the minister supporting it and stating that while he was going to support it he might take a different attitude in committee.

Mr. Fleming: But the next two paragraphs make that very clear, Mr. Speaker.

Some hon. Members: Order.

Mr. Speaker: Well, I know it is now 5.15 p.m., and if I am going to make my point I have two more pages to read and it is not my intention to read them simply because hon. members like to listen to me reading.

After what I read from Mr. Ilsley, the then member for Calgary West, Mr. Smith, did indicate he was opposed to the motion. Mr. Ilsley then asked a question and the hon. member for Winnipeg North Centre replied to that question, but it is interesting to note that when Mr. Ilsley asked the question he said:

> With the consent of the house, may I ask the hon. member a question? What were his reasons for thinking that the committee would not have the power to propose this amendment in the absence of such a direction from the House of Commons?

This proves that he was directing himself to the value and usefulness of the motion, and was therefore relating his remarks to the order. Then the hon. member for Winnipeg North Centre indicated what his views were on the matter. Mr. Ilsley then rose and said:

> I can speak again only with the consent of the house. What I intended to say the other day was that I thought amendments to the various provisions of the orders in council would be in order—

And so on. Then the hon. member for Peace River (Mr. Low) took part in the debate in order to indicate his objection to the amendment because, as he said:

> . . . as it is set out now . . . it limits the part of section 4 that could be amended by the committee.

Then the hon. member for Dauphin (Mr. Zaplitny) gave the purpose of the amendment moved by the hon. member for Winnipeg North Centre. The then member for Calgary West, Mr. Smith, indicated his agreement with the hon. member for Dauphin, and the hon. member for Dauphin spoke again. The then member for Welland, Ontario, Mr. Mitchell, asked a question. The hon. member for Winnipeg North Centre spoke again and was interrupted by the then member for New Westminster, now Senator Reid, who rose on a point of order and said:

> It seems to me that it would be out of order before the bill goes to second reading to give a restrictive direction to the committee. This amendment would restrict it to section 4 and I claim that that is entirely out of order. Surely to tell members of the committee of the whole after the bill passes second reading that we are to be restricted to section 4 is out of order.

The hon. member for Vancouver-Kingsway (Mr. MacInnis), who at that time was the member for Vancouver East, spoke to the matter; the hon. member for Winnipeg North Centre spoke to the point of order, and the matter came to a decision.

Now I think if hon. members want to be agreeable to what I consider to be a reasonable interpretation of what took place on that occasion they will agree the motion was not considered a debatable one. The hon. member for Winnipeg North Centre spoke at great length to make his point that his motion for instruction was in order and necessary. The then minister of justice indicated that in his view the motion was an empty gesture but that he would not oppose it. Then representatives of other parties in the house indicated their stand in expectation of the vote which was about to take place. That was done on behalf of the Conservative party by the then member for Calgary West, Mr. Smith, and the then member for Grey North, Mr. Case, and on behalf of the Social Credit party by the hon. member for Peace River (Mr. Low).

A point of order was then raised and the matter came to a vote which was decided in the negative and the division appears on page 2213.

I think hon. members will give me credit for having carefully considered the precedents they have quoted to me. I have to take the view that considering what took place on that occasion when the hon. member for Winnipeg North Centre moved his motion to which the then Minister of Justice, Mr. Ilsley, spoke, that to take the view that this motion whenever it is proposed is debatable is taking a very narrow interpretation of what the precedents may be; but what is more important is the standing order. Standing order No. 32 says:

> The following motions are debatable—

Then it lists the motions that are debatable, and it concludes with paragraph 2 which says:

> All other motions, including adjournment motions, shall be decided without debate or amendment.

The motion which is now before the house is one which is not listed as being a debatable

motion in standing order 32 and I take it, and I so rule, that this motion is not debatable. Is the house ready for the question?

Mr. Drew: With deference I appeal the ruling.

Mr. Speaker put the question as follows:

When "orders of the day" were called, Mr. Drew, seconded by Mr. Rowe, moved the following motion:

"That it be an instruction to the committee of the whole that they have power to divide Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, into two bills in order that one may deal separately with the financing and construction of the proposed pipe line from the Alberta boundary to Winnipeg."

I ruled that, in accordance with standing order 32, the said motion was not debatable. Whereupon Mr. Drew appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Lafontaine
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Philpott
Pickersgill
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Tucker
Viau
Villeneuve
Weir
Weselak
White (Waterloo South)
Winters
Wylie—152.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—67.

Mr. Speaker: I declare the Speaker's ruling sustained. The question now is on the motion moved by the Leader of the Opposition, seconded by Mr. Rowe, that it be an instruction to the committee of the whole that they have power to divide the bill into two bills in order that one may deal separately with

the financing and construction of the proposed pipe line from the Alberta boundary to Winnipeg.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Do hon. members consider that their members have been called in for the purpose of this division?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Weir: Mr. Speaker, this side is ready to vote.

Mr. Speaker: Call in the members.

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

YEAS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
Michener
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Regier
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—67.

NAYS

Messrs:

Anderson
Applewhaite
Ashbourne
Batten
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Enfield
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
LaCroix
Lafontaine
Lapointe
Lavigne
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Masse
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Philpott
Pickersgill
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)

Northern Ontario Pipe Line Corporation

Stick	Villeneuve
Stuart (Charlotte)	Weir
Thatcher	Weselak
Thibault	White (Waterloo South)
Thomas	Winters
Tucker	Wylie—150.
Viau	

Mr. Speaker: I declare the motion lost.

Since it is now four minutes past six o'clock, this house stands adjourned until tomorrow at 2.30 in the afternoon.

It being four minutes past six o'clock the house adjourned, without question put, pursuant to standing order.

ANSWERS TO QUESTIONS

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

VETERANS AFFAIRS—MEMORIAL BUILDINGS, OTTAWA

Question No. 461—**Mr. Hodgson:**

1. What was the cost of the property for the new veterans' memorial building on Wellington street?
2. How many parcels of land did it comprise?
3. What was the cost of each parcel?
4. What is the total cost of property and construction to date?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1.

Veterans' Memorial Buildings

(a) East building ..	$439,179.80
(b) West building ..	325,605.91
	$764,785.71

2. Twenty-four.

3. (a) East building

Questions	
1. St. Andrew's church .....$	3,500.00
2. Morris Realty Company	75,000.00
3. Capital Trust Corporation	15,158.00
4. Harris Tile & Lumber Co., Ltd.	21,805.01
5. Valley Co-Operative Creameries Limited	45,000.00
6. R. L. and R. Blackburn, Ltd. ..	105,000.00
7. George A. Beattie et ux	20,000.00
8. The Toronto General Trusts Corporation	6,800.00
9. James G. Fortier	16,218.66
10. Executors of estate of Arthur Blackburn	17,760.96
11. Thomas L. Brown and Edward H. Brown	12,484.90
12. Jeffrey, Heney Realty Ltd.	18,390.00
13. Trustees of estate of Frances M. Thistle	3,597.10
14. Estate of Sir Henry K. Egan ..	6,548.12
15. Estate of Sir Henry K. Egan ..	7,811.03
16. Estate of A. C. Chambers	7,942.51
17. National Drug & Chemical Co., Ltd.	56,163.51

(b) West building

18. Aldis M. Fleming, et al	71,200.00
19. Estate of James Lackey	36,000.00
20. Murphy-Gamble Ltd.	14,363.00
21. Executors of estate of Arthur Blackburn	16,850.00
22. Sovereign Realty Co., Ltd.	15,500.00
23. Thomas Lawson & Sons, Ltd.	135,877.91
24. George Frisby et ux	35,815.00

4. East building

Cost of property .....$	439,179.80
Cost of construction ..	6,829,970.50

West building

Cost of property ..$	325,605.91
Cost of construction	2,464,060.89 (to date)

FEDERAL TAX COLLECTIONS

Question No. 478—**Mr. Boisvert:**

How much money has been collected by the federal government from each of the following provinces: Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, by way of taxes, including income and old age security tax, corporation tax, succession duties, for each of the years 1946 to 1955 inclusive?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

Customs and Excise Division

It is impossible to know how much money has been collected from each of these provinces by way of customs duties, excise duties or sales or excise taxes. The duties and taxes on goods imported into Canada are paid not only by residents of these provinces, but also by others to whom the goods are sold or delivered in other parts of Canada and no statistical segregation of the duties or taxes is kept on this basis.

Taxation Division

TOTAL NET COLLECTIONS INCLUDING INDIVIDUAL AND CORPORATION INCOME TAX, OLD AGE SECURITY TAX, EXCESS PROFITS TAX AND SUCCESSION DUTIES

Fiscal Year Ended March 31	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	$	$	$	$	$	$
1946	414,059,164	667,777,586	77,370,179	29,814,571	52,886,092	139,183,322
1947	412,119,383	652,465,484	76,562,499	31,877,724	57,922,492	139,958,403
1948	383,967,886	581,873,930	66,726,446	33,670,718	48,385,702	146,660,310
1949	373,514,195	622,954,410	66,481,275	33,336,070	57,798,155	157,648,665
1950	353,903,217	600,544,274	62,328,349	36,258,273	65,037,219	131,588,237
1951	429,894,266	740,106,446	70,338,444	31,139,066	71,411,626	149,064,858
1952	611,157,042	1,046,968,377	90,710,410	34,397,747	91,030,280	239,463,705
1953	698,658,372	1,242,324,676	111,255,398	48,015,412	121,442,870	259,708,170
1954	674,801,460	1,297,787,761	111,993,299	58,147,234	134,548,814	236,283,544
1955	640,141,660	1,204,268,537	105,345,383	53,389,567	122,273,498	235,517,736

NOTE: The net collections shown above are those made by district offices located in the respective provinces.

Questions

RAILWAY SERVICE CURTAILMENT, SASKATCHEWAN

Question No. 486—**Mr. McCullough (Moose Mountain):**

How many Saskatchewan railway points have had a curtailment of service (a) during the calendar year 1955; (b) to date in the year 1956, (i) in respect to passenger train service; (ii) in respect to agent service?

Answer by: **Mr. Langlois, Parliamentary Assistant, for the Minister of Transport:**

The Board of Transport Commissioners for Canada advise as follows:

(a) (i) The following curtailment of passenger train service occurred during the calendar year 1955:

Between Melfort and Prince Albert C.N.R. mixed train service operating daily except Sunday reduced to four days per week (Tuesday, Wednesday, Thursday and Friday).

Between Regina and Weyburn C.N.R. passenger train service operating daily except Sunday changed to mixed train service operating tri-weekly.

Between North Battleford and Ravenhead C.P.R. mixed train service operating one trip per month—passenger train service discontinued.

Between Moose Jaw and Regina C.P.R. passenger trains No. 340 and No. 341 operating daily except Sunday, discontinued.

Between Neudorf and Regina C.P.R. passenger trains No. 59 and No. 60 to operate to Strasbourg instead of Regina but making connections at Bulyea with train for Regina.

Between Regina and Broadview C.P.R. passenger trains No. 57 and No. 58, discontinued.

(b) (i) During the year 1956 to and including May 9, the following curtailment of passenger train service occurred:

Between Moose Jaw and Macklin C.P.R. passenger trains No. 311 and No. 312 operating daily except Sunday reduced to triweekly service.

Between Brandon and Broadview C.P.R. passenger trains No. 53 and No. 54 operating daily except Sunday, discontinued.

Between Wilkie and Hardisty C.P.R. mixed trains No. 419 and No. 420 operating two round trips per week, discontinued.

Between Hardisty and Kerrobert C.P.R. mixed trains No. 480 and No. 481 operating via Macklin one round trip per week, discontinued.

Between Moose Jaw and Regina C.P.R. passenger trains No. 340 and No. 341 operating daily except Sunday, discontinued.

Between Moose Jaw and Calgary C.P.R. passenger trains No. 17 and No. 18 operating daily reduced to tri-weekly train service.

(a) (ii)—Agents were removed at five points, all of which were replaced by caretakers.

(b) (ii)—Agents were removed at seven points, all being replaced by caretakers.

NATIONAL DEBT—INTEREST AND PRINCIPAL

Question No. 489—**Mr. Holowach:**

How much of the present total national debt is interest and how much principal?

Answer by: **Hon. W. E. Harris (Minister of Finance):**

The debt of Canada is expressed on the balance sheet of the government at its principal amount.

CENTRAL MORTGAGE AND HOUSING—CONSTRUCTION IN N.S.

Question No. 494—**Mr. MacEachen:**

1. Does Central Mortgage and Housing Corporation participate under section 36 of the National Housing Act in houses constructed in Nova Scotia under the Nova Scotia housing commission act, 1932?

2. If so, (a) what proportion of the cost does the federal government pay; (b) how many houses have been built to date and where?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Yes, Central Mortgage and Housing Corporation under section 36 of the National Housing Act does share in the cost of certain houses constructed in Nova Scotia under the Nova Scotia housing commission act, 1932.

2. (a) 75 per cent; (b) a total of 163 houses have been completed or are under construction. The distribution and location are as follows: Amherst 20; Antigonish 10; Halifax 76; Sydney 36; Trenton 10; Wolfville 11.

HOUSE OF COMMONS

Thursday, May 24, 1956

The house met at 2.30 p.m.

PRIVILEGE

MR. JOHNSTON (BOW RIVER)—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN" OF MAY 23

Mr. C. E. Johnston (Bow River): Mr. Speaker, on a question of privilege I want to draw your attention to an article which appeared in the Ottawa *Citizen* yesterday. You will recall it was only a day or two ago when the press misquoted you and you had no other alternative but to accept their wrongdoing until the question was brought forward here in the house.

I wish to refer to this article because it makes reference to myself and other hon. members of the house. It is headed, "Calgary's Mayor Backs Nickle on Pipe Line Bill". The section I want to deal with appears half way through the article under the subheading "All Wrong", and reads as follows:

> Mr. McKay, wearing his familiar white Stetson hat and avowing his loyalty to the Liberal party, felt that the Progressive Conservative and C.C.F. parties were "all wrong" in opposing the legislation.
>
> At the same time he was not personally opposed to another Calgary Progressive Conservative member, D. S. Harkness, member of parliament for Calgary North, for his going along with his party on the controversial issue.

I want particularly to draw attention to the next paragraph which reads:

> "We have three fine Calgary representatives in the House of Commons," he said. The third city member is C. E. Johnston, C.C.F. representative of the Bow River riding, who has been opposing the gas line measure.

I want to point out that the last sentence starts out with the words "The third city member", which words are not in quotation marks, so I assume they are the direct words of the reporter. I submit that if reporters in this house do not know the members, they should know them. After being 21 years in this house there should be no press reporter who thinks that I am connected with the C.C.F. party. Further, they should know that I have not, nor has this party, ever opposed the construction of an all-Canadian gas pipe line.

RAILWAYS, CANALS AND TELEGRAPH LINES

Sixth report of standing committee on railways, canals and telegraph lines.—Mr. McCulloch (Pictou).

FRUIT

ORANGES—USE FOR MARMALADE WHEN COLOUR ADDED

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare, notice of which I sent him earlier this day. In view of a reply to questions 4 and 5 on sessional paper No. 224 tabled in my name respecting the use of orange peels with colour added for the purpose of making marmalade, that the colour so used contains a coal tar substance, and the suitability of this colour for foods is now under investigation, would the minister consider advising the public to the effect that orange peels so coloured possibly should not be used for the purpose of making marmalade until such time as the results of the investigation are made known?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, all I can say to my hon. friend is that my technical officers advise me that the evidence does not justify notifying the public that there is danger in the consumption of orange marmalade made with oranges coloured with the substance in question. I can only assure my hon. friend that the matter is being pursued further with great care.

CIVIL DEFENCE

EVACUATION OF CITIES—STATEMENT BY FIELD MARSHAL MONTGOMERY

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Would he care to comment upon the reported statement by Field Marshal Viscount Montgomery with regard to the evacuation of cities?

Hon. Paul Martin (Minister of National Health and Welfare): Mr. Speaker, in answer I would simply say that any observation made by Field Marshal Montgomery would be noted and considered with great respect. Taken in its context the statement referred primarily to conditions in Europe and apparently he was looking forward to the time when we would be faced with the

actuality of intercontinental guided missiles. No one suggests, of course, that evacuation is the final answer to all the problems that civil defence may have to face when these weapons not now in being come into existence. Nor does anyone minimize the problems that will arise in any attempt to move large numbers of the population on short notice out of crowded cities into areas of greater safety. But it is equally clear, particularly against the background of last week end's detonation of an airborne hydrogen bomb—equivalent to ten million tons of t.n.t.—by the U.S. authorities at the Bikini proving grounds, that it will not be sufficient for civil defence purposes to counsel people to take shelter in their cellars. It will be recalled that at the first detonation two years ago a crater was created in the ground 178 feet deep. To protect ourselves against the menace of the H-bomb, something more than a policy of "duck and cover" is required; and that distance is, for the present at least, the only effective defence weapon against the H-bomb. It is because of our conviction that this is so that we, together with the other NATO countries, are testing evacuation to determine the extent to which it can provide an effective answer to the threat of this particular instrument of warfare.

[*Later:*]

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): May I ask a supplementary question of the Minister of National Health and Welfare? Was not Field Marshal Montgomery referring to the protection from the fall-out which would be afforded in basements rather than the actual bursting of the bomb which might fall? Have the officials of the civil defence branch not been advocating the use of basements as protection against the fall-out?

Mr. Martin: Mr. Speaker, if Field Marshal Montgomery was referring to the dangers of the fall-out, then, of course, there is no disagreement as to what should be done. Obviously basements and shelters at least three feet in the ground are at the present time the known available effective defences against the fall-out. I was not present when Field Marshal Montgomery spoke to the newspapermen and I can only speak from hearsay and interpret what he actually did say, but my judgment is that he had reference to the European scene and that he was thinking particularly of the period when we might be confronted with intercontinental ballistic missiles.

[Mr. Martin.]

HOUSING

CENTRAL MORTGAGE AND HOUSING CORPORATION —INQUIRY AS TO SUSPENSION OF LOANS

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): May I ask the Minister of Public Works what consideration is being given to the situation arising out of the announcement by Central Mortgage and Housing Corporation that it is suspending all loans in the green belt area around Ottawa, particularly in the light of the fact that various persons have acquired properties and options on properties in that area, upon which they had expected to erect homes?

Hon. Robert H. Winters (Minister of Public Works): The decision to suspend loans has been made pending the report of the joint committee, which is now studying the operations of the federal district commission. What will happen beyond that depends on the nature of the report and perhaps on other circumstances that might have to be considered at the time. In the meantime, at least one of the builders who had options and had taken steps to proceed has had his loan reconsidered, and there has been an extension given to him. I know of no other outstanding cases that need to be considered at this time.

AGRICULTURE

ONTARIO—INQUIRY AS TO CURRENT SEEDING SITUATION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask a question of the Minister of Agriculture, of which I have given him notice. Has the minister had any survey or investigation made regarding the critical situation that has arisen with respect to conditions on eastern Canadian farms due to the prolonged cold, wet weather that has delayed seeding? If so, has the minister any comment to make on the situation?

Right Hon. J. G. Gardiner (Minister of Agriculture): I wish to thank the hon. member for giving me notice of his question. I might say there is a little more in it, as I have it here, than was just read. As to the first part of the question, we have general reports on the crop conditions, of course, right across Canada, but the detailed reports are taken by the departments of agriculture in the provinces, and we get detailed reports from them. The report that came over the radio last night, to which I listened, was to the effect that they were suggesting something should be done, as is the usual thing

by the province, and expressed some appreciation to the federal government for having paid part of the freight costs of grain from the west, which does help, and suggesting that perhaps more consideration be given to that. The second part of the question has to do with that sort of thing. That is, of course, being continued.

Mr. Nesbitt: I may say that I intended to ask the minister a supplementary question, as follows. Is the government considering any plan for assisting farmers in eastern Canada to purchase feed grains from the west if the present serious situation continues with its ultimate result that local crops of feed grain for next winter will be enormously reduced?

Mr. Gardiner: Of course the answer to that, as I said a moment ago, is that we already support the shipment of feed grains from the west to the province of Ontario and the other eastern provinces as well, and to the province of British Columbia. Up to the moment there has not been consideration with respect to going any further because of what has happened in different parts of Canada but, as I said, the resolution which was passed by an organization yesterday expressed appreciation for assistance on freight and said that its continuance would be of assistance. It is being continued.

COMBINES INVESTIGATION ACT

STEEL AND WIRE FENCE COMPANIES—SUGGESTED IMPOSITION OF FURTHER PENALTIES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to direct a question to the Minister of Justice. Can the minister state whether any action will be taken to make the six steel and wire fence companies which have been fined under the anti-combines section of the Criminal Code pay, in addition to the fine, costs of the trial and the costs of the investigation, which I understand began in 1952?

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, I may say, in reply to my hon. friend's question, that the fines which were imposed upon the accused corporations in this case were the maximum fines which were possible under the old Criminal Code section in respect of these offences which were committed while the old section was in effect; and it would not be possible to achieve the result that my hon. friend suggests.

Inquiries of the Ministry

PUBLIC SERVICE

DEFENCE RESEARCH BOARD—INCREASE IN WORK WEEK OF SECURITY GUARDS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of National Defence. Can the minister say why the security guards at the defence research board have had their work week increased from 42½ to 48 hours?

Hon. R. O. Campney (Minister of National Defence): No, Mr. Speaker. I shall be glad to take the hon. lady's question as notice.

ADMINISTRATION OF JUSTICE

MOONEY AND STOFFELS—REQUEST FOR STATEMENT AS TO ACTION BY DEPARTMENT

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 Justice and ask him whether, since the matter was brought up yesterday, he has heard from His Worship Magistrate McKeown, with reference to the case to which I alluded yesterday and, if so, the nature of the communication and the kind of action which his department intends to take with reference thereto.

Hon. Stuart S. Garson (Minister of Justice): Mr. Speaker, in reply to my hon. friend's question I might say that in the second mail this morning I received a letter from Mr. R. J. Hayward on the letterhead of the Toronto *Telegram* dated at Toronto on May 23, 1956, stating that Mr. Hayward was forwarding to me under separate cover a brief outlining the new evidence which had been unearthed in this case to which my hon. friend referred yesterday. Stapled to a filing folder in the middle of the said brief we found a letter from Mr. W. W. McKeown, Q.C., the magistrate, dated April 26, 1956, addressed to myself. This is the first notice, of course, that we have had of the magistrate's said letter. Needless to say, we shall investigate the matter at once and take the action which seems appropriate to the facts elicited by this investigation.

EGGS

INQUIRY AS TO REPORTED IMPORTS FROM POLAND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Trade and Commerce. Has the minister any comment to make on the press report in yesterday's Montreal *Gazette* that 10,000 cases of eggs from Poland were landed at Montreal

on Tuesday, May 22, and will this importation of eggs have the same effect on the domestic market as recent importations of cheese and skim milk powder from New Zealand had on the dairy industry?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I have no knowledge of the matter. I did not notice the article in the *Gazette*. However, I will make inquiries and give the house a report.

INQUIRY FOR RETURN

MAPLE SYRUP PAIL SUBSIDY

On the orders of the day:

Mr. W. Ross Thatcher (Moose Jaw-Lake Centre): May I ask the Minister of Finance whether his department is in a position to give me an answer to the question I asked on March 9 and which is No. 283 on the order paper?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I must apologize if the answer has not already been given. After my hon. friend spoke to me about it the other day I asked that the answer come forward. I will see whether it is ready.

HOUSE OF COMMONS

RESUMPTION OF TUESDAY EVENING SHOWING OF FILMS

On the orders of the day:

Mr. Daniel McIvor (Fort William): On a question of privilege, Mr. Speaker, through you I should like to thank your officials for making it possible for us to see the outstanding educational films on Tuesday evening in the railway committee room. The showing of these films ceased for a while. Now we are to have them again. We hope they will continue to be shown. We appreciate this educational opportunity very much.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

Right Hon. C. D. Howe (Minister of Trade and Commerce) moved that the house go into committee of the whole to consider Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation.

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

Some hon. Members: No.

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

[Mr. Nesbitt.]

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the motion (Mr. Howe, Port Arthur) which was agreed to on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nickle
Patterson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)

Proudfoot	Simmons
Prudham	Sinclair
Purdy	Smith (Battle River-Camrose)
Quelch	Stick
Ratelle	Stuart (Charlotte)
Richard (Ottawa East)	Thatcher
Richard (St. Maurice-Lafleche)	Thibault
Richardson	Tucker
Roberge	Valois
Robichaud	Viau
Robinson (Simcoe East)	Villeneuve
Rouleau	Vincent
St. Laurent (Quebec East)	Weir
	Weselak
St. Laurent (Temiscouata)	White (Waterloo South)
Schneider	Winters
Shipley, Mrs.	Wylie—152.

NAYS

Messrs:

Aitken, Miss	Jones
Argue	Knight
Balcer	Knowles
Barnett	Lennard
Bell	Macdonnell
Blair	MacLean
Brooks	McBain
Bryce	McCullough (Moose Mountain)
Bryson	
Cameron (Nanaimo)	Mitchell (London)
Campbell	Monteith
Cardiff	Montgomery
Castleden	Murphy (Lambton West)
Charlton	Nesbitt
Churchill	Nicholson
Coldwell	Nowlan
Diefenbaker	Pallett
Dinsdale	Pearkes
Drew	Rea
Dufresne	Regier
Ellis	Robinson (Bruce)
Fairclough, Mrs.	Rowe
Fleming	Small
Fraser (Peterborough)	Stanton
Fulton	Starr
Green	Stewart (Winnipeg North)
Hamilton (Notre Dame de Grace)	Trainor
	Tustin
Hamilton (York West)	Van Horne
Harkness	White (Hastings-Frontenac)
Hees	
Herridge	White (Middlesex East)
Hodgson	Winch
Howe (Wellington-Huron)	Zaplitny—66.
Johnson (Kindersley)	

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

Mr. McGregor: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted I would have voted against the motion.

The house went into committee, Mr. Robinson (Simcoe East) in the chair.

On clause 1—*Short title.*

Mr. Howe (Port Arthur): Mr. Chairman, clause 1 is the short title clause, stating that the act may be cited as the Northern Ontario Pipe Line Crown Corporation Act. It is purely a formal clause and since we have had some six days of general discussion and a few days more of procedural discussion I move:

That further consideration of this clause be postponed.

The Chairman: Those in favour of the motion—

Mr. Fleming: Mr. Chairman, are you going to rule that the motion is not debatable, that there cannot be a word of discussion on this first clause of the bill where we always have a general discussion, and on which I wish to introduce an amendment?

The Chairman: I believe if the hon. gentleman will examine the authorities he will find that a motion of this kind is not debatable and I should so rule.

Mr. Drew: Mr. Chairman, that would mean that there is to be no discussion at all.

The Chairman: Order. Do I understand that the Leader of the Opposition is rising on a point of order?

Mr. Drew: Yes, Mr. Chairman. I would hope that Your Honour will permit me to present to the government a perfectly reasonable request, that they do not carry contempt of parliament this far and that they reconsider this motion.

The Chairman: Order. I hardly find that a true point of order.

Mr. Fleming: On a point of order, I ask you, if you have not already ruled on that motion that you now rule that the motion is debatable. If your ruling is that it is not debatable then I must regretfully and respectfully appeal your ruling.

The Chairman: My suggestion to the hon. member was that he examine the authorities which lead me to believe that it is not debatable, and I proposed so to rule. If the hon. member can assist me with a brief statement to the contrary I would be willing to hear him.

Mr. Fleming: Mr. Chairman, I believe that this is the first time that there has been such a motion in the sovereign Canadian House of Commons in the last 24 years. I point out to you that on that last occasion in 1932 it was introduced, not at the outset, as it is now, but only after debate had proceeded for some days in the committee of the whole. I would remind you that it is the custom of this house, particularly in connection with a new bill, one not amending an existing statute of this parliament, to permit general discussion on the first clause of the bill. That is the right of all members of the house.

Northern Ontario Pipe Line Corporation

Here we have the Minister of Trade and Commerce, even before anyone has said a word in this committee of the whole, rising to introduce this motion which apparently is intended to throttle all effort at discussion in this committee and to prevent any discussion of the first clause and deprive members of their undoubted right to have a general discussion on the first clause of the bill. I pointed out to you that far from this being simply a formal matter or a formal discussion, I have an amendment to move to this first clause of the bill which I am most anxious to introduce. May I tell you what that amendment is?

The Chairman: Order. I hope hon. members will maintain order in the committee. I have indicated to the hon. member that I wished to hear him and was permitting him to assist me if he had any authority contrary to the idea which I had gained from the authorities that a motion of this kind was not debatable. I hope hon. members will allow me to hear the hon. member, but on the other hand may I ask the hon. member to confine his remarks to the authorities which I have asked him to give.

Mr. Fleming: Mr. Chairman, I have not before me the volume of *Hansard* for 1932 in which the discussion is contained, although I had it here the other day and read some extracts from it. If you will refer to *Hansard* of April 1, 1932 you will find that when on that occasion the government introduced a similar motion it was discussed. In the course of that discussion the late Right Hon. Mackenzie King made biting criticisms of the government for introducing such a motion. It was in the course of speaking to that motion in the committee of the whole that he referred to it as a procedure such as had never been introduced in a British parliament in reference to a money bill. He went on to say that such a motion would make a farce out of parliament and reduce to a nullity parliamentary institutions and the whole parliamentary process.

I submit that that is a perfectly good precedent. I cannot give you the page reference for *Hansard* of April 1, 1932 because I am sure no one expected a throttling motion like this to be introduced before a word had been said in this committee of the whole by way of discussion. Otherwise I would have had the volume here. In the face of that precedent I make the submission that this is a debatable motion.

The Chairman: I think I understand the situation. I also have not been—

Mr. Diefenbaker: Are you not going to allow any discussion at all—

[Mr. Fleming.]

Some hon. Members: Order.

Mr. Diefenbaker: —on the point of order? Why not throw the key of parliament away?

The Chairman: Order.

Mr. Diefenbaker: Lock it up and throw the key of parliament away.

The Chairman: There cannot be more than one point of order raised at one time. I gave the floor to the Leader of the Opposition for the purpose of rising to a point of order and then, as is usual, allowed the hon. member for Eglinton to elaborate on it, inviting him to quote authorities. I must deal with the point of order which has been raised, which I understand is that this motion before the committee is debatable whereas I indicated and I proposed to rule that it is not debatable.

As I said, I do not have the 1932 volume of *Hansard* before me because I imagine that with such interest in this subject these volumes are very scarce at the present moment. But I have had the advantage of reading about the incident in 1932 and I do not think it interferes in any way with the incident which occurred during the session of 1912-13 on which I propose to base my ruling. Hon. members will find in column 9329 of *Hansard* for May 7, 1913, that Mr. Borden moved that further consideration of a section be postponed. Then I quote from that page:

> Mr. Oliver: When the postponement of the second clause was moved, it was stated that debate on the motion was not allowable. Might I ask what rule is invoked in that regard?
>
> Mr. Borden: I do not think it is a debatable motion.

After that, a certain amount of discussion took place and the chairman was obliged to make a ruling, which hon. members will find in column 9338 of that same volume of *Hansard*. The chairman said:

> I rule that the previous question cannot be put with reference to the motion now before the house because the motion is undebatable.

From that ruling, that the motion was undebatable, an appeal was taken, and hon. members will find the result of that appeal in columns 9339 and 9340.

Mr. Nicholson: What year?

The Chairman: 1912-1913. Hon. members will find the result of that appeal in columns 9339 and 9340, which was that the chairman's ruling was sustained. I therefore find, on this authority, that the motion made by the Minister of Trade and Commerce is not debatable, and I so rule.

Mr. Fleming: Mr. Chairman, with great regret, and with deference, I must appeal your ruling.

The Chairman: I shall have the request reduced to writing.

Mr. Diefenbaker: The minister is now the Lord High Executioner of parliament.

Mr. Nowlan: Another portfolio he has taken over.

Mr. Howe (Port Arthur): It was executed yesterday.

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

In committee of the whole, when it was considering clause 1 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Howe (Port Arthur) moved that further consideration of this clause be postponed. Mr. Fleming and others raised a point of order to the effect that this motion was debatable. I ruled that the said motion was not debatable. Whereupon Mr. Fleming and others appealed to the house from the ruling of the Chair.

Mr. Speaker put the question as follows:

The question is the following one. In committee of the whole, when it was considering clause 1 of Bill 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Howe (Port Arthur) moved that further consideration of this clause 1 be postponed. Mr. Fleming raised a point of order to the effect that the motion was debatable. The chairman ruled that the said motion was not debatable. Whereupon Mr. Fleming appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Applewhaite
Arsenault
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weir
Weselak
White (Waterloo South)
Winters
Wylie—152.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Fleming
Fraser (Peterborough)
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McBain
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Montgomery
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Rea
Robinson (Bruce)
Rowe
Small
Stanton

Northern Ontario Pipe Line Corporation

Starr	White (Hastings-Frontenac)
Trainor	White (Middlesex East)
Tustin	Zaplitny—62.
Van Horne	

Mr. Speaker: I declare the chairman's ruling sustained.

Mr. Stewart (Winnipeg North): Mr. Speaker, I was paired with Madame Defarge, who presided at the guillotine.

Mr. Martin: Mr. Speaker, I was paired with the hon. member for Cape Breton South (Mr. Gillis). Had I voted, I would have voted to sustain the chairman's ruling.

Mr. McGregor: Mr. Speaker, I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted against sustaining the chairman's ruling.

And the house having resumed in committee:

On clause 1—*Short title.*

The Chairman: The question is the following one—

Mr. Knowles: Mr. Chairman, I rise on a point of order. My point of order is that the motion moved by the Minister of Trade and Commerce is out of order. I base my contention on a clear-cut standing order, namely standing order No. 78, paragraph 1, which reads as follows:

> 78. (1) In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

I submit, Mr. Chairman, that that standing order—and incidentally, I heard no standing order or citation produced in support of the motion presented by the Minister of Trade and Commerce—is a clear-cut direction to the committee that, apart from the preamble and the title, all of the other clauses must be considered by the committee in their proper order. Surely, the proper order is 1, 2, 3, 4, 5, 6, 7. In case it is contended that any consideration has been given to clause 1 because the Minister of Trade and Commerce was on his feet for a few seconds, may I remind you of a ruling that was given yesterday by Mr. Speaker on another matter. On that occasion some of us were trying to contend that in 1948, on the motion of instruction with regard to the bill amending the Canadian Wheat Board Act, there had been debate because the Minister of Trade and Commerce had spoken briefly introducing his motion on that occasion. Mr. Speaker ruled that those few words of explanation could not be regarded as debate. I could go on and give the Speaker's interpretation of another occasion when seven pages of speaking were ruled—by Mr. Speaker—as not constituting debate. However, I am not relying on that incident. I am relying on the first one I mentioned which is more akin to the one now before us because there was only a brief statement.

That brief statement which the Minister of Trade and Commerce made as reported at page 2411 of *Hansard* of March 19, 1948, was ruled by Mr. Speaker as not constituting debate. Relying on that ruling I insist that the few words of explanation as to why he was moving this motion today which were spoken by the Minister of Trade and Commerce do not constitute debate and that therefore there has been no consideration of clause 1. I will go further, Mr. Chairman, and say that the motion which you have before you, and which was given to you by the Minister of Trade and Commerce, contains a misstatement or a misnomer. It reads "That further consideration of clause 1 be postponed". I think it is clear to everyone that there has been no consideration of clause 1. How can there be accepted by Your Honour any language of that kind which suggests that further consideration of clause 1 be postponed? Therefore, Mr. Chairman, on the basis of my statement that the motion itself contains a false statement or a misnomer; on the basis of the ruling Mr. Speaker gave yesterday with regard to the few words spoken on an occasion such as this, and on the basis of standing order 78 (1) I contend that this motion at this time is out of order.

Mr. Fulton: Mr. Chairman,—

The Chairman: Do I understand that the hon. member for Kamloops wishes to support the same point of order?

Mr. Fulton: Yes, Mr. Chairman, I am speaking to the point of order. In support of the point of order raised I want to refer Your Honour to the precedents of the other occasions when closure has been applied in committee in 1913 and in 1917; that is in committee on the bill. I have before me the 1917 volume of *Hansard*. You will observe that closure was applied on August 27, 1917. On that day the committee resumed consideration of the bill from a previous day; as a matter of fact, it resumed consideration of the bill from several previous days' consideration. Clause 1 was still under consideration and was taken up as reported at page 4960 of *Hansard*. Clause 1 was considered until page 4989 of *Hansard* before the motion was made that the further consideration of this clause be now postponed. The same thing was true in 1913. But on both previous

occasions when closure was applied in committee it was considered necessary—as of course it is necessary—that there be some consideration before the gag could be applied. There has, of course, been no consideration on this occasion. On the precedents of the former occasions I support fully the point raised by the hon. member for Winnipeg North Centre.

Mr. Diefenbaker: Mr. Chairman,—

The Chairman: Is the hon. member for Prince Albert rising to support the same point of order?

Mr. Diefenbaker: Yes; I intend to submit some further argument on the question. This matter was dealt with on March 31, 1932. At that time consideration of the Unemployment and Farm Relief Continuance Act had been before the house and in particular before the committee for some two weeks, that consideration commencing about March 1 and continuing on until March 31. On that day the following motion was made as reported at page 1605 of *Hansard* of 1932:

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

Then on April 1 the motion was made as reported at page 1609 of *Hansard*:

> That further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

In other words, the emphasis is on the word "further", and there has been no consideration at any time of the title, indirectly or at all. The vote does take place, following which Mr. Mackenzie King spoke for a very considerable period of time and pointed out that under the proceedings parliament would be a mere futility and a complete farce. Incidentally, Mr. King hoped that such an event would never happen again in the parliament of this country. I submit, sir, that on the basis of previous experience, the motion made by the minister is as premature as the futility of parliament which will be created as a result.

Mr. Drew: Mr. Chairman—

The Chairman: Is the Leader of the Opposition rising to speak on the point of order?

Mr. Drew: Yes, Your Honour. I submit that Your Honour should examine this in the strictest possible terms. We are dealing here with a denial of any right whatever to the discussion of a bill, at the most important stage of that discussion, and that is at the time when the actual wording of the bill is before the house. This would absolutely deny the whole principle of parliamentary procedure. If it were possible, section by section, to move a motion of this kind it would mean that all that would be necessary for the government to do would be to say, in the first instance, "This is the bill we want passed." Then, they could sit back and wait for the majority to carry out their will. It denies the opportunity for questioning. It denies the opportunity to broaden information. It denies the basis of the life of parliament itself.

Now, for that reason, Mr. Chairman, I submit that standing order No. 78 should be examined in its very strictest terms. As has already been pointed out, it reads as follows:

> 78. (1) In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

I submit, Mr. Chairman, that unless it had been clearly intended that there be some action taken to postpone the preamble, then there would have been no need for such a reference and it would simply have been stated that the preamble will be considered after the sections are considered. The wording of this makes it quite clear that some initiative is necessary to postpone the preamble.

After all, there are sound reasons for that. The preamble might be in a form and in words that did not appropriately set forth what should be set forth in the preamble. It should not be taken for granted that it will be passed over by the committee and deferred until it has been considered and dealt with in the appropriate way.

If anyone should say that on other occasions the preamble has simply been disposed of without any formal motion, that means there has been tacit agreement given to that being done. In this case, no such tacit agreement is extended. In this case we want to discuss this bill at every stage. I submit, Mr. Chairman, that there are reasons why we should examine this in the most careful way. It is a rule of law, as it is a rule of parliament, that where there is uncertainty in an important issue, then a very strict examination must be given of the facts.

I wish to place on record a concept of the importance of the discussion in committee, not so that you may examine the merits of these motions in themselves, but rather that the full significance of any omissions under the rules may be recognized. I would point out that in 1913, when for the first time closure was introduced into

this house, Sir Wilfrid Laurier used words which might well be remembered by some of those who have paid lip service to his memory so often. This is what Sir Wilfrid Laurier said, as reported in columns 9533 and 9534 of *Hansard* for May 9, 1913. I believe these words go directly to the point I am making as to the importance that should be attached to a ruling on this occasion. I quote his words:

> It has been stated frequently that the bill has been in the committee stage now for 20 days. I ventured earlier in the day to say that this was neither abnormal nor excessive, but that I could point out instances in England where, notwithstanding the gag, the guillotine and the kangaroo, which a member of this government could pray God we should not have in this country—he will not be able to pray God any more—notwithstanding all these obstacles to free speech, the debates in the committee stage on one bill occupied more than one, two, or three weeks. In these modern days the discussion of a bill in committee is the important part of it; indeed, it is stated by authorities that the most important part of the consideration of a bill has always been in the committee stage. The Austrian author, Redlich, who has written on the British parliamentary system perhaps with greater clearness than any British writer, has this to say with reference to the discussion of a bill in the committee of the whole:

Then, there is a quotation which is contained in Sir Wilfrid's speech, and I shall be quoting until I indicate that the quotation is finished.

> We may, then, say that the centre of the whole legislative action of the House of Commons lies in the region of the work of committee of the whole house. It is in committee that the fate of a bill is really decided; its ultimate form is there settled in the clash of parties and opinions or by the compromises made between them. In this stage debate is quite free; members may speak to each question as often as necessary. Speeches in committee are generally short, to the point, businesslike and simple.

Some hon. Members: Oh, oh.

Mr. Drew: I hear laughter on the other side. Any length there has been in my statement is the length of only a partial, a very small partial quotation from the statement by Sir Wilfrid Laurier on this very subject when closure was first applied.

> Their manner is almost conversational and seldom tinged with rhetoric. The object of committee debate is to arrive at decisions upon special questions of substance and to settle the essential points of detail one by one. The aim of what is said is to convince, not to gain a mere debating advantage. Committee therefore offers to individual members the best scope for display of expert knowledge, untiring industry, capacity for routine work and ready action; many a new member makes his reputation there, especially a man whose claims to foremost rank in parliament are based upon ability and knowledge of political and administrative business rather than on brilliance of oratorical display. On a bill of first rate importance the committee stage may last for weeks.

Then I briefly return to the words of Sir Wilfrid Laurier himself:

> Everybody will agree that this is a bill of first rate importance, and therefore it is nothing unusual, nothing extraordinary, that the committee stage should have lasted weeks, as it has already. Indeed, the very observation which I have read from Redlich is exemplified by a fact to which I desire to call the attention of the house. My hon. friend from Welland has proposed an amendment which goes to the root of this bill, which is of extraordinary importance, which was introduced only two or three days ago, and which has not occupied more than a couple of hours discussion. The second clause of the bill which we now have before us is in these terms:

Then I end the quotation from Sir Wilfrid Laurier. He went on to read the second clause of the bill. Mr. Chairman, in those words from Sir Wilfrid Laurier we find emphasized in simple, clear and understandable terms the full significance of the discussion in committee stage of the terms of the bill. No matter what differences of opinion there may have been in this house, there is not an hon. member who can fail to recall occasions on which argument and conviction and sound judgment did result in important changes in bills of far-reaching consequences to the people of Canada. As Sir Wilfrid said, this is not a time when any mere debating advantage is gained; this is not a time when the whole issue hangs on the principle of the bill as in second reading. This is the time when the government can concede—and can well afford to concede—changes in the wording of the bill itself. That is the reason why this subject should be examined in the strictest terms.

Mr. Chairman, you have made a ruling with regard to the motion before you. Nevertheless, a point of order has now been raised which is of vital concern. We come back to that point of order and I submit it is the duty of Your Honour to interpret in the very strictest meaning of the words the provisions of standing order 78 (1) that the preamble is first postponed and that this calls for some initiative on the part of the house, and until that has been postponed then the other sections cannot be dealt with.

Now, Mr. Chairman, this is one of the most important decisions that will ever be made by a chairman of a committee of this house or by a Speaker of this house because unless our appeal is heard on this occasion then the very root of parliamentary democracy would be destroyed by what is being done here this afternoon.

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

The Chairman: A different point of order?

Mr. Nicholson: On the point of order.

The Chairman: I think I have heard sufficient to decide—

Mr. Nicholson: I wish to speak to the point of order, Mr. Chairman.

The Chairman: I am sorry—

Mr. Coldwell: Mr. Chairman, you have heard several hon. gentlemen from the official opposition. One of our members has spoken to the point of order and another desires to do so. Surely he can be given the courtesy of being heard. This whole procedure is an abomination to me.

Mr. Diefenbaker: Even Louis XIV would blush.

The Chairman: Do I understand that the hon. member for Mackenzie wishes to speak to the point of order of his colleague?

Mr. Nicholson: Yes, sir.

The Chairman: There seems to be some misunderstanding. I asked the hon. member if he had a different point of order and I understood him to nod his head. There has been a misunderstanding.

Mr. Nicholson: Mr. Chairman, I wish to support the point of order which was presented so eloquently by my colleague, the hon. member for Winnipeg North Centre, but before Your Honour makes his ruling, since you have the reference of Sir Wilfrid Laurier before you, I should like to have you give consideration to the additional point that Sir Wilfrid raised 43 years ago, when he said:

> We have heard it stated that these rules are antiquated. I do not admit that at all. These rules are not antiquated. They were not made for a day or for a period; they were made for the ages. It can be said of them, as has been said of the maxims of civil law which have come to us from the Roman jurists, and which are the basis of the civil law of most of the nations of Europe, that they are reason crystallized into writing. The maxims of the civil law have been applied to the relations of the people in civil life, and the maxims of our parliamentary procedure have been accepted as the basis of the transaction of business in all deliberative assemblies.

Mr. Dufresne: Sir Wilfrid was a great Liberal; there are no more of that kind today.

Mr. Nicholson:

> Sir, these rules are to be swept away, they are to be ridden over roughshod; they are to be put aside, and we are to have the gag substituted for them.

Mr. Bell: That is true Liberalism.

Mr. Hansell: Mr. Chairman—

Mr. Fleming: Mr. Chairman, before you make your ruling—

The Chairman: Do I understand that the hon. member for Macleod is also rising on the same point of order?

Mr. Hansell: On the same point of order, Mr. Chairman.

Mr. Fleming: So was I, Mr. Chairman.

Mr. Hansell: And this time, Mr. Chairman, I rise to talk about a matter that perhaps might result in your disallowance of the point of order. There seems to be some confusion in the discussion in respect to the motion being one of closure. It is not a motion of closure, it is a motion to postpone.

Mr. Fulton: It is a motion to get ready for closure.

Mr. Hansell: That may turn out to be the case. If the blocking tactics turn out to be what they have been in the past then I am sure this group will support closure when it comes.

Mr. Knowles: Who is blocking the discussion today?

Mr. Coldwell: Closure has caused the blocking.

Mr. Diefenbaker: Page Louis XIV.

Mr. Hansell: Mr. Chairman, the motion does not mean that the title is not to be discussed; it means that the title is not to be discussed at the present time. The motion, if carried, means that we move on to another of the more important sections of the bill. Now, if those who are objecting at the present time are objecting on the ground that it does not give them opportunity for discussion, then by the same logical reasoning they should say, "Let us discuss the more important sections first and then come back to the title".

Now, Mr. Chairman, I am quite confident there is a time element in the bill which must be put through by a certain time. I am not one who wishes to block any reasonable discussion but up until now what has occurred has not been reasonable discussion but has rather been blocking tactics.

Mr. Fleming: Mr. Chairman, you have now heard from—

The Chairman: In order that we may have the record clear, do I take it this is the same point of order?

Mr. Fleming: Quite, Mr. Chairman. You have heard on the same point of order from three parties in the house. You have heard a point of order raised by one hon. member of the C.C.F. party and supported by another. You have heard the point of order supported by hon. members of the official opposition and you have now heard a point taken against the point of order not by the government but by the hon. member for Macleod speaking for the Social Credit group in the house.

Mr. Rowe: Maybe he was speaking for the government, too.

Mr. Fleming: I draw your attention, sir, to the fact—and I think it is appropriate to do so—that you have not yet heard one word on the point of order from the government.

Now, the hon. member for Macleod, who is the only person in the house who so far apparently has had the courage to rise and seek to sustain what the government is now trying to do, has urged that this is not closure. A rose by any other name would smell as sweet as this.

I draw attention to the fact, sir,—and it is in keeping with the point submitted to you by my leader—that this is the most shocking, most effective and most immediate form of closure that could possibly be attempted in this house.

Some hon. Members: Boo.

Mr. Fleming: We have already had examples on two occasions within recent days of closure in this house. The first one gave an illustration of the effect of closure as such because as soon as notice of the motion could be given, a week ago Monday, the Minister of Trade and Commerce rose in his place and gave that notice and then the vote had to be taken the following night.

An hon. Member: Get to the point of order.

Mr. Fleming: But here the effect of this motion is that if the point of order is not sustained by the Chair the closure is immediate.

Mr. Harris: No, no.

Mr. Fleming: There is not another word to be said on this first section of the bill and you have been reminded, Mr. Chairman, how important to this house are these rights in respect to the first section of the bill. That is where we have the general discussion. That is where we get information. We have already told you, and we have told the house, that there is a mass of information that we want and that this house ought to have and which has thus far been withheld. If you take away our rights on this first clause you deny to us and you deny to the Canadian people the opportunity to get that information without which no House of Commons, no self-respecting Canadian House of Commons can proceed. I, therefore—

The Chairman: The hon. member for Winnipeg North Centre has raised a point of order which in my understanding involves two phases. First, he says that under standing order 78(1) this is not a proper motion. Second, as I understand his point of order, he says that it is faulty in form in that there has not been further consideration.

Mr. Knowles: There has not been any consideration.

The Chairman: Those were the two points which in my understanding were raised. I am grateful to hon. members for assisting me but I would like their assistance to be directed more particularly to the two points which have been raised.

Mr. Fleming: I had almost completed my remarks which were being directed, you will have noticed, as a reply to the point raised by the hon. member for Macleod, who is the only one we have heard so far in this discussion seeking to support the procedure of the government. As to the second point, I submit to you that in the light of what happened yesterday and what the Speaker said yesterday, the second point is unchallengeable.

On the first point, I submit to you that you could not have a clearer case than this when the motion before you talks about further consideration. I say to you that there has not been one iota or one second of consideration given to this clause as yet in this committee. The Minister of Trade and Commerce scrambled to his feet even before you had taken the chair and called the bill in order that he might offer this motion to gag the committee. In the face of that, how can it be contended that there has been any consideration of this bill at all?

I say to you in these closing words: It is a sad reflection, it is a sad state of affairs in the Canadian House of Commons, when the government that introduces a motion of this kind have not the courage to stand up to try to defend even their procedure. On the contrary, they are content to go ahead and in silence perpetrate upon a once-free Canadian parliament a foul, fascist deed like this.

Mr. Harris: Mr. Chairman—

The Chairman: Again in order to keep the record straight, do I understand that the minister is speaking to this same point of order?

Mr. Harris: As much as anyone else has. It must be evident that one of the reasons why we do not take up the time of the committee is that we think time is valuable in this connection. It would not be necessary for us surely to answer all the points of order raised by the opposition members; else we would never get to the real purpose, namely, a decision on this bill.

May I only say this to the point of order. I would have said what the hon. member

for Macleod said, because in speaking to the point of order raised at an earlier time by the hon. member for Eglinton and again later by the Leader of the Opposition they repeated what both of them I am sure know is not so, namely, that this action would in effect carry the clause. Everything that they said would leave the impression that that was so. We have before us a motion which postpones consideration of the clause, and the clause must at a later time be called and disposed of.

Mr. Drew: Mr. Chairman, on a question of privilege on this occasion.

The Chairman: I understand the Leader of the Opposition is rising on a question of privilege.

Mr. Drew: Yes. The question of privilege is simply that the Minister of Finance has sought to misinterpret the statement that I made. The motion that has been made is to postpone the discussion of this clause, but the Minister of Finance knows perfectly well that that is simply a preliminary step to an overriding closure of all debate in the committee stage.

Mr. Harris: If I offended the Leader of the Opposition, I did not do so intentionally. I was careful in the choice of my words. I merely said that this is a postponing motion and that the clause will be carried at a later time after consideration.

The Chairman: I really believe I have heard sufficient to decide the point.

Mr. Knowles: Mr. Chairman, I rise on the same question of privilege.

The Chairman: Do I understand that the hon. member for Winnipeg North Centre is now rising on a question of privilege?

Mr. Knowles: I rise on the same question of privilege raised by the Leader of the Opposition with respect to the statement made by the Minister of Finance. The Minister of Finance said that we were inferring in our opposition to this motion that it was a form of closure in that it was carrying the clause at this point. I certainly made no such claim whatsoever.

Mr. Harris: Nor did I say you did.

Mr. Knowles: The Minister of Finance, without naming people, referred to those on this side of the house.

Some hon. Members: No.

Mr. Fleming: Whom did you mean?

Mr. Knowles: Mr. Chairman, I am here too, and I am a member of the opposition in this House of Commons.

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Knowles: The fact is that although this is only postponing, if the committee finds that it has to take all of its time on whatever clause or clauses the government lets us consider, we may never get back to clause 1 where general discussion is possible.

Mr. Harris: Quite so.

Mr. Fleming: On the question of privilege, the minister referred to me and he did so without any justification. I did not say that this gag motion if adopted would have the effect of adopting the clause. On the contrary, the motion will, in the light of the government's intention, have the effect of preventing the clause being discussed at any time.

Mr. Harris: At this moment.

Mr. Fleming: Then you will come along and prevent it being discussed at any other time by your next closure.

The Chairman: Order. I feel quite certain that I have heard quite sufficient from hon. members to decide the point of order raised by the hon. member for Winnipeg North Centre. As I said before, I understand the point of order to be this: First, that the motion of the Minister of Trade and Commerce is out of order under standing order 78 (1), and, second, it is deficient in form in that it contains the words "further consideration" when no consideration has been given to the clause which I called earlier. Standing order 78 (1) reads:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

In rising to support the point of order, the Leader of the Opposition spent part of his time in a discussion of the fact that the preamble had not been first postponed. In my opinion there is no preamble to this bill and therefore I cannot find any validity in that part of the point of order. Standing order 78 (1), I believe, was formerly standing order 76 in part. In the citation in Beauchesne's third edition, under the old standing order, hon. members will find the following, at page 235:

> 691. The consideration of a clause may, on motion made, be postponed, but the motion may not be made if the clause has been amended.

That is, I think, authority for my finding against the first part of the point of order. May I point out to hon. members that my attention was drawn—I did not happen to note which hon. member mentioned this—to

the proceedings of 1912-13, and I find that a similar motion, which I mentioned when dealing with the previous point of order, is in almost the same terms as the motion before us today, and we recall that that motion was found in order by the chairman and by a decision of the house.

Mr. Fulton: But had not the clause, in fact, been under consideration for some time?

The Chairman: The further point has been raised with regard to the consideration or lack of consideration that has been given to this clause, the one that I called. In that connection, may I draw the attention of hon. members to May's fifteenth edition at page 527 under the heading "Clause under consideration". It reads as follows:

> Proceedings on a bill begin by the chairman calling the number of the first clause. The calling of a clause by the chairman brings it under the consideration of the committee, . . .

Further, on the same point, may I draw the attention of hon. members to the proceedings that took place in 1912-13, in volume IV of *Hansard* for that session, in columns 7535, 7536 and 7537. In this incident, a point of order was raised by Mr. German, and hon. members will find in these columns an interchange which took place between Mr. Meighen and Mr. German. I shall not take time to read the entire interchange, because hon. members may do so at their leisure, but I would draw their attention to the following words of Mr. Meighen in column 7537:

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

For all these reasons, I must find against the point of order raised by the hon. member for Winnipeg North Centre, and I so rule.

Mr. Knowles: Mr. Chairman, I appeal your ruling to the House of Commons.

The Chairman: I shall reduce the question to writing.

Mr. Knowles: This is reducing parliament.

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

> In committee of the whole when it was considering clause 1 of Bill 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order to the effect that the motion of the Minister of Trade and Commerce, namely, that the further consideration of clause 1 be postponed, was out of order on the ground that standing order 78 provides that in committee of the whole every clause of a bill must be considered in its proper order, and further the motion was faulty in form since it contained the words "further consideration", for the remarks of the minister could not be construed as being consideration of clause 1. I ruled that in accordance with citation 691, Beauchesne, third edition, it was in order to move to postpone the clause and also that May, fifteenth edition, page 527, states that the calling of a clause brings it under consideration and also that the debate in 1913 on the enactment of standing order 33 clearly contemplated the postponement of clauses of a bill. Whereupon Mr. Knowles appealed to the house from the ruling of the chair.

[The Chairman.]

Mr. Speaker put the question as follows:

> The question is the following one. In committee of the whole Mr. Knowles raised a point of order to the effect that the motion of the Minister of Trade and Commerce, namely, that the further consideration of clause 1 be postponed, was out of order on the ground that standing order 78 provides that in committee of the whole every clause of a bill must be considered in its proper order, and further the motion was faulty in form since it contained the words "further consideration", for the remarks of the minister could not be construed as being consideration of clause 1. The chairman ruled that in accordance with citation 691, Beauchesne, third edition, it was in order to move to postpone the clause and also that May, fifteenth edition, page 527, states that the calling of a clause brings it under consideration, and also that the debate in 1913 on the enactment of standing order 33 clearly contemplated the postponement of clauses of a bill. Whereupon Mr. Knowles appealed to the house from the ruling of the chairman.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Applewhaite	Decore
Arsenault	Demers
Ashbourne	Denis
Batten	Deschatelets
Beaudry	Deslieres
Benidickson	Dickey
Bennett	Dumas
Bertrand	Eudes
Blackmore	Eyre
Blanchette	Fairey
Boisvert	Follwell
Boivin	Forgie
Bonnier	Fraser (St. John's East)
Boucher	Gardiner
Bourget	Garland
Breton	Garson
Brisson	Gauthier (Lake St. John)
Brown (Brantford)	Gauthier (Nickel Belt)
Brown (Essex West)	Gauthier (Portneuf)
Bruneau	Gingras
Buchanan	Gingues
Byrne	Gour (Russell)
Cameron (High Park)	Gourd (Chapleau)
Campney	Gregg
Cardin	Habel
Caron	Hahn
Carrick	Hanna
Cauchon	Hansell
Cavers	Hardie
Clark	Harris
Cloutier	Harrison
Crestohl	Healy
Dechene	Hellyer

Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weir
Weselak
White (Waterloo South)
Winters
Wylie—148.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Bryce
Bryson
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Dufresne
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Poulin
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch—61.

Mr. Speaker: I declare the chairman's ruling sustained.

And the house having resumed in committee:

On clause 1—*Short title.*

The Chairman: The question is the following: Mr. Howe (Port Arthur) moves that further consideration of this clause be postponed.

Motion (Mr. Howe, Port Arthur) agreed to: Yeas, 145; nays, 60.

The Chairman: I declare the motion carried.

On clause 2—*Definitions.*

Mr. Howe (Port Arthur): Clause 2 is the interpretation clause—

Mr. Fulton: I move that the Leader of the Opposition be now heard.

The Chairman: Order. Do I understand that—

Some hon. Members: No.

The Chairman: I had granted the floor to the Minister of Trade and Commerce.

Mr. Fulton: I move that the Leader of the Opposition be now heard.

The Chairman: Mr. Fulton has moved that the Leader of the Opposition be now heard, in accordance with standing order 29.

Motion (Mr. Fulton) negatived: Yeas, 57; nays, 144.

The Chairman: I declare the motion lost. The Minister of Trade and Commerce.

Mr. Howe (Port Arthur): Mr. Chairman, clause 2 is the interpretation clause and is standard in form. It gives the definition of the "board"; "corporation"; what a director means; what the minister means—

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): —the Northern Ontario section; "Trans-Canada" as the abbreviation of "Trans-Canada Pipe Lines Limited"; and the definition of "western section".

I move:

That further consideration of this clause be postponed.

Some hon. Members: Shame.

The Chairman: Order. Do I understand that the hon. member is rising on a point of order?

Mr. Fleming: I rise to ask a question. By what rule or by what standard of fair play is it that the minister is permitted to rise first on both of these sections? You saw him first on the first section and nobody else had a chance. You saw him again on this section

and the effect of this is that nobody else gets a chance to speak on this section. There are amendments that I wish to introduce to this section.

The Chairman: Order.

Some hon. Members: Sit down.

An hon. Member: Boo.

The Chairman: Order. I intend to see the hon. member for Winnipeg North Centre whom I imagine is rising on a point of order; am I correct?

Mr. Knowles: That is correct.

The Chairman: I must protest this noise when an hon. member is rising in accordance with the rules of this house. The hon. member for Winnipeg North Centre, on a point of order.

Mr. Knowles: Mr. Chairman, I rise to speak to a point of order. My point of order is that the motion moved by the Minister of Trade and Commerce is out of order. In case there are any hon. members of the committee who feel that this point of order which I now raise is a point of order which has already been decided—

The Chairman: Order. I understand the hon. member is rising on a point of order in connection with the motion which has been sent to me by the Minister of Trade and Commerce.

Mr. Knowles: That is correct.

The Chairman: The hon. member for Eglinton rose on a point of order and I did not have an opportunity of reading the question. May I read the question first? Mr. Howe (Port Arthur) moves:

> That further consideration of clause 2 be postponed.

Mr. Knowles: Mr. Chairman, I just want to make it clear to any hon. members who might wonder whether the point which I now raise has already been dealt with, that it is set out in citation 113 of Beauchesne's third edition that questions of order are decided only when they actually arise and not in anticipation. Therefore any ruling that may have been made with regard to a motion made earlier today was a ruling with respect to that motion only, and not a ruling with respect to the motion that has now been made or with respect to any other motions that may be made as this day goes along.

I base my objection to this motion which the minister has now made on standing order 78 (1)—and I hope before long the government will know it by heart—which reads:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

We have, by a process which I shall not characterize because I have not the language, reached clause 2. Now the minister proposes that without any consideration of clause 2 we move on to clause 3. That is in absolute and utterly disgraceful violation of standing order 78(1) under which this house is supposed to operate, which says we must consider these clauses in their proper order.

The minister said a few words about what "the minister" means and what certain other words mean, and I suppose he contends that those few words of his constitute consideration. I remind him and you, sir, again of the ruling that Mr. Speaker made yesterday with regard to far more than this that the minister said on March 18, 1948, in presenting a motion for instruction to the house. What he said then was ruled as not being debate, in other words as not constituting consideration.

I am aware of the fact that in dealing with this point of order Your Honour might turn up citation 691 of Beauchesne's third edition which reads:

> The consideration of a clause may, on motion made, be postponed . . .

Mr. Chairman, how can you postpone consideration that has not begun? If there is no consideration, how can you postpone it? I submit it is quite clear that there has been no consideration whatsoever. I was going to read the dictionary meaning of the word "consideration" but surely that is elementary. Surely it is clear that there has been no consideration of clause 2, and therefore any attempt by Your Honour or anyone to rely on citation 691 of Beauchesne's third edition would be to rely on a citation that has no bearing at all because there has been no consideration of clause 2.

I am also aware of the fact, sir, that you might read to us a part of a sentence from page 527 of May's fifteenth edition, which part reads as follows:

> The calling of a clause by the chairman brings it under the consideration of the committee . . .

May I point out that to bring it under the consideration of the committee is something quite different from giving it consideration. If Your Honour calls a clause, that opens it for the consideration of the committee; but surely it cannot be said that merely because Your Honour has called the clause, therefore the clause has had consideration.

Further, Mr. Chairman, I submit that if you had any thought of reading to us from page 527 of May's fifteenth edition you

should reconsider doing so, and I suggest that for two reasons. First of all I must say, with the greatest respect, that I am conscious of the fact that when some of us quote May from the floor, we are reminded from the chair that May is an English authority and does not always apply to the Canadian situation; yet there are other occasions when the chair chooses to quote from May despite the objections to May which are offered when we quote from May from the floor.

But in addition to that, my other reason for suggesting that Your Honour not quote to us from page 527 of May is that if you will read the entire sentence you will see how completely inapplicable it is to the Canadian situation. The entire sentence from which Your Honour might read a part, as you did on a previous occasion, is as follows:

> The calling of a clause by the chairman brings it under the consideration of the committee, but does not entitle a member to speak generally upon the clause, as there is no question before the committee until an amendment has been moved, or the question proposed "That this clause stand part of the bill".

I read that entire sentence rather than just a part of it so it would be clear to everyone that the sentence applies to the English practice, which is quite different from our practice. What is clear from that sentence is that the practice of calling clauses in committee of the whole in the United Kingdom parliament is that a clause is not debated until one of two things is done, until either someone moves an amendment or someone moves that the clause stand as part of the bill.

In Beauchesne's third edition, citation 669, there is a sentence that is relevant to this point which says—

The Chairman: Order. Would the hon. member give me this citation? I could not hear it.

Mr. Knowles: The one I am quoting now?

The Chairman: Yes.

Mr. Knowles: It is citation 669 of Beauchesne's third edition. I mention this because it brings us back to the Canadian picture rather than suggesting that we rely on an English authority which does not apply to our situation. Beauchesne in citation 669 says:

> Each clause is a distinct question and must be separately discussed.

If there is any doubt at all about what "consideration" means, surely it is made clear by that citation from Beauchesne which applies to the Canadian situation, which calls for discussion. I recognize that frequently there are clauses that are passed without any discussion and it is regarded that they have had consideration. That applies only when the house is satisfied it does not need to discuss a matter, that it can pass as having had sufficient consideration.

No one can say there is no desire to discuss clause 2. The Leader of the Opposition amongst others attempted to get the floor. Therefore, Mr. Chairman, it is quite clear this clause has not been considered at all; and because it is quite clear from standing order 78 (1) that the committee should consider these clauses in their proper order, I contend that this motion which the Minister of Trade and Commerce has now made is a misnomer—if anyone wants to put it in stronger language he may—and that it is out of order.

I wish also to point out that it is one of the duties of the government to let the house know the night before what the business is going to be the next day. I am not reflecting in any way upon the fact that there was not an announcement made last night, because we all knew that today's business would be the consideration of this bill in committee of the whole. But I think we have some right to know at this moment what is going to happen. We still do not know what clause the committee is going to be allowed to discuss, by the grace of the government. Is this going to go on with clause 3, clause 4, clause 5, clause 6 and clause 7? What is going on? What is the government leading up to in these utterly disgraceful proceedings and this crass violation of the rules of this house?

It seems to me that one does not need to go into all the books, as some of us may appear to like to do, because in this instance it is crystal clear in standing order 78(1)—which is a standing order, not a citation—which is one of the rules by which this house must operate. That standing order reads:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

We must consider these clauses in their proper order. I appeal to Your Honour, despite any previous ruling you have made, to reconsider this matter, to reconsider the inapplicability of page 527 of May's fifteenth edition, and the inapplicability of citation 691 of Beauchesne's third edition to this present situation. I ask you to consider the clear-cut language of standing order 78(1), and to inform the Minister of Trade and Commerce that this motion is out of order at this time.

Mr. Diefenbaker: Mr. Chairman—

The Chairman: Do I understand that the hon. member for Prince Albert is rising on the same point of order?

Mr. Diefenbaker: I do.

The Chairman: May I point out just before the hon. member rises that I find the point of order now being raised to be very similar to the one raised on clause 1. I agree with the hon. member for Winnipeg North Centre when he cites citation 113 of Beauchesne's third edition to indicate that I should deal with points of order as they arise and not in anticipation.

Mr. Diefenbaker: Mr. Chairman—

The Chairman: Order.

Mr. Diefenbaker: Are we not to have the right to argue?

The Chairman: Order.

Mr. Diefenbaker: Is parliament to be throttled?

The Chairman: May I point out to the hon. member for Prince Albert that I am elaborating on the point of order raised by the hon. member for Winnipeg North Centre. I agree that I must decide points of order as they arise and not in anticipation in accordance with citation 113 of Beauchesne's third edition; nevertheless it is my duty to point out that I find the point of order which has now been raised to be very similar to the one raised on clause 1. From that point, I must draw the attention of hon. members to the provisions of standing order 34 (1) which reads:

> Mr. Speaker may permit debate on the point of order before giving his decision, but such debate must be strictly relevant to the point of order taken.

What I am doing at the present time is to indicate that I find this point of order to be very similar to the other one on which we have had a direction from the house. I am going to hear the hon. member for Prince Albert, but I hope he will give me authorities which I have not heard before.

Mr. Diefenbaker: Mr. Chairman, I shall take the dictionary and place it before you. The standing order reads:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

I ask you whether ordinary words are to have ordinary meanings or have we arrived at the position in parliament when the mere say-so of a minister gives consideration to a matter before this house. I have not the larger dictionary here, but the Concise Oxford dictionary defines "consider" as "contemplate mentally". Has parliament deliberated and contemplated mentally because the minister dares to rise and say, "Here are the sections; that is enough for me"? Surely we are not going to make a caricature of parliament in that way. Surely it was never intended that parliament should be throttled and imprisoned by a minister's say-so, supported by an overwhelming group in this house who regardless of argument stand up and are counted. Surely in your position as Deputy Speaker you have the right to consider words in their ordinary meaning. Surely because my right hon. friend is an engineer he cannot ditch, dam and drain parliamentary privileges in one afternoon.

I come now to the larger dictionary where "consideration" is defined as follows:

> 1. The act of considering, or taking into account and examining, as, after long consideration he declined.
> 2. Thoughtful and kindly feeling or treatment.

Of course the second meaning would have no application whatsoever to the term in question. The special circumstances here would deny the use of the expression "consideration" in that regard. Another definition is:

> 5. The taking into account of anything as a reason or motive; a circumstance or fact to be so taken into account.

There can be no other definition of the word "consideration" than in accordance with parliamentary privileges and traditions. Consideration means contemplation, discussion and the weighing of argument, and for you to decide otherwise—

The Chairman: May I interject at that point—

Mr. Diefenbaker: If you will allow me to complete the sentence. If you decide otherwise it will be simply to crucify the meaning of the word.

The Chairman: I wonder if the hon. member, who is a lawyer and who has quoted to me the definition of "consideration", intends to continue his remarks on this point of order. If so, will he call to my attention any new suggestions he has with regard to the clear words in May's fifteenth edition at page 527 where it states that the calling of a clause by the chairman brings it under consideration by the committee.

Mr. Diefenbaker: Mr. Chairman, as a lawyer you know that one rule that must be followed in interpretation is that you do not abstract from the entire sentence a word which you believe is applicable to the argument you wish to advance. May says that the calling of a clause by the chairman brings it under the

consideration of the committee, but that does not bring about consideration by the committee. In other words the "bringing to" makes possible the consideration, but it does not say that it brings about consideration by simply calling the clause.

To hold otherwise would simply mean that we in parliament would be automatons. The minister would say, "Now, consider this," and he would give you his say-so. "This is what we want done," and the rest of us would stand up like so many nonentities or automatons. It was never intended that parliament should be treated in that way. This is indeed the sorriest day in Canadian history.

The Chairman: I feel that I have heard sufficient on the point.

Mr. Drew: Mr. Chairman, I have a point to raise which has not been raised in any other discussion.

The Chairman: Does the hon. gentleman raise it as a distinct point of order? I am dealing now with the point of order and I am prepared to deal—

Mr. Drew: The same point of order, but an entirely different subject matter than has been raised before.

The Chairman: I am now prepared to deal with the point of order raised by the hon. member for Winnipeg North Centre.

Mr. Fulton: Your Honour invited consideration of May at page 527. May I reply to that invitation—

The Chairman: Order.

Mr. Fulton: —or do you wish to rule without hearing argument?

The Chairman: Order. May I point out that under standing order 59 (4):

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house;

I also draw the attention of hon. members to standing order 34 (1), the latter part of which reads as follows:

> Mr. Speaker may permit debate on the point of order before giving his decision, but such debate must be strictly relevant to the point of order taken.

I am now prepared to give my ruling on the point of order raised by the hon. member for Winnipeg North Centre, without further debate. I have found nothing in the point of order raised at this period which would cause me to change my mind on the lengthy reasons which I gave before and which hon. members may find in *Hansard* if they did not hear me.

Mr. Fleming: Mr. Chairman, with respect, you have indicated—

Some hon. Members: Oh, oh.

The Chairman: I cannot assume the responsibility of overruling a decision made today by the house at an earlier time.

Mr. Fleming: Aren't you going to hear members on the point of order?

The Chairman: I rule against the point of order made by the hon. member for Winnipeg North Centre. Do I understand the hon. member appeals?

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

The Chairman: I shall have it reduced to writing. While I am having the assistant reduce this to writing there is nothing further which I can hear.

Mr. Fleming: Will you include in the report to the Speaker of the house that there were members of the house who wished to address you on the point of order and said they had fresh points to make on the point of order, and you insisted on making your ruling without hearing the points that members wished to raise? I have not finished.

The Chairman: I am going to include something in that respect in the report, if necessary. I understand the rule to be—although it has not happened in my experience before—that while I am having this question reduced to writing we are, let us say, in a state of suspended animation. Until I can make my report no further proceedings can be taken.

Mr. Fleming: Mr. Chairman, with great respect—

Some hon. Members: Order.

The Chairman: Order.

Mr. Fleming: I say that all sense of fair play in this committee is in a state of suspended animation.

Some hon. Members: Oh! Smile.

The Chairman: Order.

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

> In committee of the whole, when it was considering clause 2 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order to the effect that, pursuant to standing order 78, the motion of the Minister of Trade and Commerce that further consideration of clause 2 be postponed was out of order in that no consideration had been given to clause 2 so that further consideration of the question could not be postponed.
>
> I ruled that the point of order was one upon which the house had decided this day and that

the chairman had no authority to disregard that decision of the house. One member was allowed to speak in support of the said point of order and, when others indicated that they wished to speak on the point, I indicated that I was prepared to decide the point of order and forthwith made my ruling.

Mr. Drew: Mr. Speaker, before you put the question, I wish to raise a question as to the accuracy of the report.

Mr. Speaker: Order. The Leader of the Opposition will understand my position. Citation 428 of Beauchesne's third edition is to the effect that from the chairman's decision no appeal should be made to the Speaker. It states:

In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question: "That the decision of the chairman be confirmed." No discussion is allowed on the appeal.

Mr. Drew: Mr. Speaker, I merely submit that the report is inaccurate and that there should be an opportunity for correction of the report on the basis of what actually took place.

Mr. Speaker: It is customary when the Speaker is standing for no other hon. member to take the floor. I would point out to the Leader of the Opposition that the remarks he has just attempted to make should have been made in the committee of the whole.

Some hon. Members: Oh.

Mr. Fleming: Mr. Speaker, that is what I tried to do.

Mr. Speaker: Order.

An hon. Member: Don't make it a sham.

Mr. Speaker: If it happens that hon. members were not able to make their points in committee of the whole and an appeal has been taken, then the only recourse which hon. members have is as set out in citation No. 1, Beauchesne's third edition, and that is the reason for the report now about to be submitted to the house.

Mr. Speaker put the question as follows:

Mr. Robinson (Simcoe East) of the committee of the whole reported that when the committee was considering clause 2 of Bill 298, an act to establish Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order to the effect that pursuant to standing order 78 the motion of the Minister of Trade and Commerce was out of order in that no consideration had been given to clause 2 and so further consideration of the question could not be postponed. The chairman ruled that the point of order was one upon which the house had decided this day and that the chairman had no authority to disregard that decision. One member was allowed to speak in support of the said point of order and when other members indicated they wished to speak on the point the chairman indicated that he was prepared to decide the point of order and forthwith made his ruling. Whereupon Mr. Knowles and others appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eudes
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Leduc (Jacques Cartier-Lasalle)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud

Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Valois
Viau
Villeneuve
Vincent
Weir
Weselak
White (Waterloo South)
Winters
Wylie—146.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
MacLean
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Poulin
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Winch
Zaplitny—62.

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

Mr. McGregor: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted against sustaining the ruling.

And the house having resumed in committee:

The Chairman: The question is the following one: Mr. Howe (Port Arthur) moves that further consideration of this clause 2 be postponed.

Motion (Mr. Howe, Port Arthur) agreed to: Yeas, 143; nays, 60.

The Chairman: I declare the motion carried.

Northern Ontario Pipe Line Corporation

On clause 3—*Establishment and constitution.*

The Chairman: The Minister of Trade and Commerce.

Mr. Howe (Port Arthur): Six o'clock.

Mr. Fulton: Mr. Chairman, I move that the Leader of the Opposition be now heard. I wish to refer you to citation 4, Beauchesne's third edition, which reads as follows:

> The proceedings of the houses (Senate and Commons) are governed by statutes, by rules and orders adopted by themselves, and by those usages which have grown up in the course of time and consequently become a part of their own practice or are derived from the common law of parliament by which they have consented to be guided in all matters of doubt.

I point out that, in accordance with this citation, it is the practice that the Leader of the Opposition be given the floor.

The Chairman: Order. The hon. member for Kamloops has moved that the Leader of the Opposition be now heard. May I point out that under standing order 29 all these motions must be forthwith put without debate. I see it is six o'clock, so I do leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Hansell: Mr. Chairman, may I rise on a question of privilege?

The Chairman: At six o'clock we had called clause 3 and there was a motion by the hon. member for Kamloops. I understand the hon. member for Macleod is now rising on a question of privilege?

Mr. Hansell: Yes. I think it concerns the entire house. We do like to commend the press for correct reporting, but at the same time when things are incorrectly reported I think it should be drawn to the attention of the house. A report appears in this evening's Ottawa *Journal* a part of which is perfectly accurate. It appears under the heading, "Howe's motion Stirs New Protest" and the first paragraph reads:

> Opposition members rose with cries of protest this afternoon when, on the first clause of the pipe line bill, Trade Minister Howe moved that further consideration be postponed.

That part of the report is perfectly all right but the huge headline, which I am sure Your Honour can read from this distance, is extremely misleading.

Mr. Knowles: It is perfectly correct.

Northern Ontario Pipe Line Corporation

Some hon. Members: It is correct.

Mr. Hansell: I hear cries of "Perfectly correct", but it is perfectly incorrect. The headline reads: "Third Closure in House".

Mr. Fleming: That is perfectly accurate.

Mr. Hansell: There has not been a third motion for closure in this house.

The Chairman: Order. Before we rose at six o'clock I called clause 3 and recognized the Minister of Trade and Commerce. The Leader of the Opposition had also risen to speak and the hon. member for Kamloops moved that the Leader of the Opposition be now heard. The question is the motion of Mr. Fulton that the Leader of the Opposition be now heard.

Motion (Mr. Fulton) negatived: Yeas, 45; nays, 108.

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

Mr. Stewart (Winnipeg North): Mr. Chairman, when I came into this house—

The Chairman: Order. Do I understand that the hon. member for Kamloops has risen on a point of order?

Mr. Fulton: Yes, sir.

The Chairman: And the hon. member for Winnipeg North also?

Mr. Stewart (Winnipeg North): I have.

The Chairman: The hon. member for Kamloops, I think, rose first. I will recognize the hon. member for Kamloops on his point of order.

Mr. Fulton: Mr. Chairman, my point of order relates to the proceedings we have seen in this committee this afternoon and the last procedure we have just witnessed. My point is that these proceedings are entirely out of order and the whole proceedings in this committee today have been entirely out of order. I refer Your Honour to citation No. 1 in Beauchesne's third edition, which reads as follows:

The principles that lie at the basis of English parliamentary law, as Bourinot so aptly says, are: "to protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner—

Mr. Harkness: There is no more improvidence than tyranny in this case.

Mr. Fulton: —and there I refer Your Honour to standing order 78 (1) which refers to taking the clauses in order—

—to enable every member to express his opinion within limits necessary to preserve decorum and prevent an unnecessary waste of time—

[Mr. Knowles.]

And who is wasting time? It is the Minister of Trade and Commerce who is wasting time by his repetitive motions.

An hon. Member: You are.

Mr. Fulton:

—to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse."

That is the end of the quotation from Bourinot. Beauchesne continues in these words:

In a close contest—

An hon. Member: Close?

Mr. Fulton:

—when the house is considering a highly controversial measure, the positions of parties are equalized:

Is there an equalization of the position of the parties in this house when time after time the Leader of the Opposition is refused the right to be heard? Beauchesne continues:

. . . the government side may rely on its majority but the opposition is strengthened by the rules of procedure which both are bound to observe and which the Speaker must enforce.

Now, sir, I have already referred to citation No. 4 in Beauchesne's third edition, which says that parliament is governed by the usages and customs which have grown up; and it is a usage and custom of this parliament that each side should have an equal right to be heard. This is a usage and custom which the Chair is bound to enforce and which the government is bound to respect, that the opposition should have the right to be heard, and we have been denied that right today.

Mrs. Fairclough: Twice.

Mr. Fulton: In fact I will complete the citation in case anyone thinks I would be taking unfair advantage if I did not. Citation No. 1 of Beauchesne's third edition concludes:

Should there be dissatisfaction with his ruling—

That is, the Speaker's ruling.

—appeal can be made to the house, and each member will be answerable to his electors and to the country for the vote he gives on the division which then takes place.

Now, sir, what we have seen this afternoon is a complete disregard for the customs and usages of parliament. What is taking place now is the rape of our liberties. I demand that the Leader of the Opposition be given the right to be heard, which the customs and usages of parliament affords him, and that you, sir, and the government end your careers as rapists and get back to a position of respect for the customs and usages of parliament.

Mr. Harris: Mr. Chairman—

The Chairman: In order to keep the record clear, may I ask if the minister is rising on the same point of order?

Mr. Harris: Mr. Chairman, if I say "yes" to that I will be admitting there was a point of order—

Mr. Rowe: What are you rising for? You had better sit down if you are not rising on the point of order.

Some hon. Members: Sit down.

Mr. Harris: —when, as a matter of fact, Mr. Chairman—

Mr. Ferguson: Closure.

Mr. Hodgson: If there is no point of order you should not be up.

Mr. Harris: We quite understand our neighbour from Simcoe North. I hope that as the evening goes on all members will avoid the unseemly display that sometimes we are apt to get into.

Some hon. Members: Oh, oh.

Mr. Harris: If you will permit me to finish.

Mr. Rowe: Speak to your own fellows.

Mr. Harris: I am going to do that. I appeal to government followers to do that and I hope the opposition will do likewise.

An hon. Member: I hope they take you at your word.

Mr. Harris: I hope they do.

Mr. Harkness: It will be the first time they have.

Mr. Harris: I do not think my hon. friend has doubted my word either.

An hon. Member: We shall see.

Mr. Harris: Yes, we shall see.

An hon. Member: As time goes on.

Mr. Rowe: Are you on the point of order?

Mr. Harris: Yes, I am speaking to the point of order.

An hon. Member: It is the first time you have mentioned it.

Mr. Harris: Let us make it quite clear that the point of order was raised after a vote of this house had indicated that the motion would not be accepted. The same point of order was then raised, which was in effect a further argument in favour of the adoption of the motion made by the hon. member for Kamloops.

However, I want to take the opportunity of saying a few words, if the committee will permit me. I hope not to be argumentative about it, but this is prompted a little by what the hon. member for Winnipeg North Centre said this afternoon, and prompted by what I think would be in the interests of parliamentary traditions as well.

Some hon. Members: Oh, oh.

An hon. Member: Are we getting another lecture?

An hon. Member: Don't tell us that.

An hon. Member: Sabotage.

Mr. Harris: The hon. member for Winnipeg North Centre during the course of raising a point of order this afternoon—

An hon. Member: Always blame the other fellow.

Mr. Harris: —said that he wished to know what was the program of the government. I gather from that that perhaps if he knew there might be an effort made to do what we could to dispose of this legislation.

An hon. Member: What is the point of order?

Mr. Harris: I am coming to the point of order.

Mr. Rowe: You are making a long speech in advance.

Mr. Harris: All right; I have not—

An hon. Member: Where is the point of order?

Mr. Harris: I have not taken very much time, either of the committee or of the house, on this matter; and if my hon. friends opposite would like to have an answer to a question asked this afternoon I am prepared to give it. I think it will be useful to them as well as to the house.

Mr. Fleming: Mr. Chairman, the only basis upon which any hon. member can address the chair at this moment, as I understand it, is on the point of order which was introduced by the hon. member for Kamloops. As I understand it what the Minister of Finance is asking is the indulgence of the committee so he may make a statement which has nothing to do with the point of order.

Mr. Harris: I am going to speak to the point of order.

Mr. Fleming: The minister says he is coming to that later, but I draw to your attention the fact that no member of the committee except the Minister of Trade and Commerce has been permitted to say a word in debate, except on points of order. The Minister of Trade and Commerce has enjoyed that exclusive privilege. I submit to you—

Some hon. Members: Order.

Northern Ontario Pipe Line Corporation

Mr. Fleming: —that the only basis upon which—

Some hon. Members: Order.

An hon. Member: Sit down.

The Chairman: Order.

An hon. Member: Here comes the axe again.

The Chairman: Order. Will the member kindly resume his seat when I have taken the floor. I was careful to ask the minister when he rose to his feet if he wanted to speak to the same point of order that had been raised by the hon. member for Kamloops.

An hon. Member: Did he?

The Chairman: He replied that in his opinion he did not consider it a proper point of order, if I understood him correctly.

Mrs. Fairclough: He is not the chairman.

An hon. Member: You are not either.

The Chairman: At that moment, and after some interruptions, I understood that he intended to ask the indulgence of the committee to answer a question which had been raised earlier this afternoon on a point of order.

An hon. Member: Indulgences.

Mr. Fulton: We want our rights, not indulgence.

The Chairman: If that indulgence is not granted, then I must rule on the point of order raised by the hon. member for Kamloops.

Mr. Fleming: May I say that in view of the fact that our rights have been denied in this house today this is not the time for the government to be asking for indulgence.

The Chairman: I will then need to rule on the point of order raised by the hon. member for Kamloops. I am familiar, as are most hon. members, with citation 1 of Beauchesne which is of course the rule reading "to protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner". I hope all of us at all times try to do that.

The hon. member also drew my attention to citation 4 of Beauchesne dealing with customs and usages. I would draw the attention of the hon. member to the provisions of standing order 29 which reads:

> When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place.

There is a custom or usage also that when a minister of the crown rises at certain times he is given a certain priority. In any event, it is within the competence of the Chair and I refer hon. members, as I did several days ago, to citations 212, 213 and 214 of Beauchesne's third edition. Citation 214 reads:

> The succession of speakers is left entirely to the Speaker.

If one looks at *Hansard* I think one will see that the occupants of the chair, not only myself but others, have been fairly meticulous in trying to obtain the pro and con of the debate, as is mentioned in a later sentence of citation 214. The proceedings today are somewhat exceptional.

Some hon. Members: Oh, oh.

An hon. Member: They are becoming a standard practice.

An hon. Member: That is the understatement of the year.

The Chairman: I assure all hon. members that although the weatherman has indicated that we are having remarkably cold weather, this is a very hot seat. I hope I can allay some of the heat by speaking for a moment or two. At any rate I do not think that there has been any departure from usage or custom.

Some hon. Members: Oh, oh.

The Chairman: Order. If my personal conduct in the chair is brought into question that can be dealt with in ordinary course by a substantive motion.

An hon. Member: We know what will happen to that.

Mr. Harkness: You would have the Liberal steamroller to sustain it.

The Chairman: There have been various appeals to the house this afternoon from my rulings, which have been sustained. A few minutes ago we had a vote under standing order 29 on the motion of the hon. member for Kamloops with regard to the order of speakers at this particular time. I rule now that the point of order raised by the hon. member for Kamloops is not a true point of order in that it reflects to some extent on the vote on his own motion. I so rule.

Mr. Fulton: I appeal your ruling. I take it that you are ruling that the Leader of the Opposition is not entitled to the floor because you do not see him, as well as on the point of order I raised. I appeal your ruling to the house because I am not content longer to see our liberties raped by the government.

The Chairman: Order. The hon. member for Kamloops has appealed from my ruling, and I am now having the question reduced

to writing. As I said this afternoon, while it is being so reduced our discussion is suspended.

Mr. Trainor: Mr. Chairman, I rise on a question of privilege.

The Chairman: Order. I explained this afternoon that during this hiatus while I am trying to reduce the question to a form in which it can be presented to the Speaker, I cannot accept any other proceeding.

An hon. Member: The whole day has been a hiatus.

Mr. Trainor: This is a question of privilege.

The Chairman: I shall be glad to hear the hon. member at the proper time. At this moment I must reduce this question to writing.

Mr. Trainor: Is a question of privilege not presentable at this time?

The Chairman: I shall hear the hon. member at the proper time.

Mr. Trainor: Can you indicate to me when is the proper time?

The Chairman: I must deal with one matter at a time, and I must reduce this question to writing at the request of the hon. member for Kamloops.

Mr. Fulton: But if the request relates to the appeal—

The Chairman: I can only do one thing at once.

Mr. Fulton: Mr. Chairman, before you leave the chair, on a question of privilege I request you to read the report to the committee. The reason I make that request is that the last time a report was made to the house and there was an attempt made to question the completeness and accuracy of the report, Mr. Speaker told us that the question should have been raised in the committee and that he was bound by the terms of the report he received. That made it obvious that the only occasion upon which we have any right to discuss the contents of this report is at this time. I therefore request, sir, that you read the report you intend to make.

Mr. Fleming: Mr. Chairman, I request that in the report you be good enough to refer to the passage quoted earlier from Beauchesne's third edition, in regard to which you spoke of the necessity of hearing the pro and the con of the debate, and that you also state in your report that the only person you saw today on the first section of the bill was the Minister of Trade and Commerce, the only person you saw on the second section was the Minister of Trade and Commerce, and the only person you saw on the third section was the Minister of Trade and Commerce; and that you report therefore that you have reduced the rights of the opposition and the Leader of the Opposition to a nullity and that you have overridden the plain provisions of the rules of this house, which require—

Some hon. Members: Order.

Mr. Fleming: —that the house hear the pro and con of debate.

The Chairman: Order. May I refer hon. members to citation 428 of Beauchesne's third edition, from which I read as follows:

> In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided.

That is obligatory, and I do so.

Mr. Fulton: Why do you apply the rules in this way when it suits—

Some hon. Members: Oh, oh. Shut up.

Mr. Fulton: I object to the chairman making—

Some hon. Members: Oh, oh.

Mr. Speaker having resumed the chair:

Mr. Fulton: Mr. Speaker, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Fulton: I object, sir, on a question of privilege, to this report being made at this time.

Mr. Speaker: Order. I want to tell the hon. gentleman that there are certain forms which have been traditionally followed in this house.

Mr. Knowles: Tell that to the government.

An hon. Member: They were before today.

Mr. Speaker: Would hon. members be good enough to understand my position?

Some hon. Members: We know.

Mr. Rowe: It is our position we are concerned about.

Mr. Speaker: I am not supposed to have a temper, so I shall keep it in my pocket.

An hon. Member: Vest pocket, just like the trained seals.

Mr. Drew: Mr. Speaker, surely you will listen to this question of privilege.

Some hon. Members: Order.

Mr. Drew: The last time a report was presented—

Mr. Speaker: Order.

Mr. Drew: —and an effort was made to point out to Your Honour that the report did not contain a correct description of what had taken place, Your Honour said it should have been raised while we were still in committee. We have sought that privilege, the chairman has denied it, and he is now presenting to you a report which he would not read to us. Therefore the very observation you made is denied by what is now being done.

Mr. Robinson (Simcoe East): Mr. Speaker, in committee of the whole—

Some hon. Members: Oh, oh. Trained seals.

Mr. Fulton: I rise on a question of privilege. I have a right to raise a question of privilege at this time, and I demand that I be heard on the question of privilege.

Mr. Speaker: Order.

Mr. Fulton: I demand the right to be heard.

Mr. Speaker: Would the hon. member for Kamloops be good enough to recognize that there is such a thing as a report by the chairman from the committee of the whole to the Speaker—

An hon. Member: We do not recognize that report.

Mr. Speaker: —who in turn must present it to the house. The hon. member should know that rights and duties—

Some hon. Members: Oh, oh.

Mr. Speaker: —go hand in hand.

Mr. Fulton: There is no rule, sir, that says I may not raise a question of privilege.

Mr. Speaker: This is the first time in my experience that a member has tried to get the floor when the Speaker is on his feet and when the chairman is also—

Mr. Fulton: Mr. Speaker—

Mr. Speaker: Would the hon. member be good enough to let the Chair—

Mr. Fulton: I object to your receiving that report.

Mr. Speaker: The hon. member will have the floor afterward.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Fulton: I object to your receiving that report.

Mr. Speaker: I have never seen this before, and I never thought I would see it.

Mr. Fulton: I have never seen any proceedings to equal what is being done.

[Mr. Speaker.]

Some hon. Members: Hear, hear.

Mr. Robinson (Simcoe East): Mr. Speaker, in committee of the whole, when it was considering an act to establish the Northern Ontario Pipe Line Crown Corporation—

Mr. Fulton: Mr. Speaker, I rise on a question of privilege and I demand the right to be heard now, because if I do not get the right to be heard now—

Mr. Robinson (Simcoe East): —Mr. Fulton raised a point of order to the effect that the proceedings of the committee were irregular—

Mr. Fulton: —it will be too late.

Mr. Robinson (Simcoe East): —in that no opportunity was being afforded to the Leader of the Opposition to speak. I stated that when the Minister of Trade and Commerce and the Leader of the Opposition rose in their places—

Mr. Fulton: This is the only time at which I can raise my question of privilege. I say you have no right to receive that report because the committee has not been given the right to hear the report.

Mr. Robinson (Simcoe East): —I called the Minister of Trade and Commerce as is the custom in committee of the whole, and since the committee had negatived a motion that the Leader of the Opposition be now heard—

Mr. Fulton: Mr. Speaker, on a question of privilege—

Mr. Robinson (Simcoe East): —I ruled that Mr. Fulton's point of order was not a true point of order. Whereupon Mr. Fulton appealed to the house from the ruling of the chair.

Mr. Speaker: Mr. Robinson of the committee of the whole—

Mr. Fulton: Mr. Speaker, what am I to do?

Mr. Speaker: —reports that in committee of the whole when it was considering Bill No. 298, an act to establish Northern Ontario Pipe Line Crown Corporation—

Mr. Fulton: Mr. Speaker, you leave me no alternative but to defy the Chair.

Mr. Speaker: —Mr. Fulton raised a point of order—

Some hon. Members: Hear, hear.

Mr. Fulton: Mr. Speaker—

An hon. Member: British justice, this is.

An hon. Member: We demand British justice.

An hon. Member: A sorry day for the Canadian parliament.

Mr. Speaker: —Mr. Fulton raised a point of order—

Some hon. Members: No, no.

Mr. Fulton: With respect, Mr. Speaker, I entreat you to hear me now.

Mr. Speaker: Well, I am still on my feet and I will first ask the hon. gentleman to resume his seat.

Mr. Fulton: Mr. Speaker, I rely upon your fairness—

Mr. Speaker: It is not customary for any member to address the house when the Speaker is on his feet.

Mr. Fulton: I will resume my seat on the understanding that you will hear me before you read the report.

Mr. Speaker: There is no time at which the hon. member can address the Chair, because I am here for one purpose and one purpose only—

An hon. Member: We know that.

An hon. Member: We know the purpose, too.

Mr. Speaker: I want to tell the hon. gentlemen who are making remarks such as those they have just made that I am very grateful for their generosity. I think they are all gentlemen and I thank them very much. I have had occasion earlier to explain exactly what my position is—

Mr. Lennard: We know all about that too.

Mr. Gardiner: You don't know anything.

Mr. Speaker: —when a report is made to the house by the chairman of the committee of the whole. This is citation 428 of Beauchesne's third edition and I read it earlier. When I resume the chair for that purpose only, why hon. members attempt to drag me into a discussion I really do not know. Anyway, I shall read the citation again. Citation 428, Beauchesne, third edition, reads as follows:

> In case of an appeal to the house, it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question, "That the decision of the chairman be confirmed". No discussion is allowed on the appeal. . . .

This is clear language, and every time the chairman reports an appeal from a ruling in committee the Speaker has no other duty to perform than that which is provided by citation 428. See Mr. Speaker Lemieux's ruling, *Hansard*, volume IV, 1926, pages 3984-5.

Mr. Lennard: What do you do if the chairman is so dumb?

Mr. Speaker: Therefore I have at this moment the report that has just been made by the chairman as I received it, and I am going to submit it to the house for the house to determine whatever it pleases with respect to it.

Mr. Fulton: Mr. Speaker, standing order 17, which takes precedence over any citation, says:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

Surely, sir, a rule of the house takes precedence over a citation. That was the point I was trying to make with Your Honour just a moment ago, and I carried my demand to be heard to the very limit because we insist on the maintenance of the rules. The rule is clear. I submit that the question of privilege which I have attempted to raise and which I demand the right to raise takes precedence and must be dealt with immediately. It should have been dealt with before you received the report. I claim that as you have received the report and refused to hear me, my question of privilege must be dealt with now before you submit the report to the house.

Mr. Speaker: What is the hon. gentleman's question of privilege?

Mr. Fulton: My question of privilege is simply this, that on a previous occasion when there was an appeal to the house from a ruling of the chair Your Honour said, when an attempt was made to question the accuracy of the report, that Your Honour was not able to deal with that matter, that it should have been raised in the committee. My question of privilege is that on this occasion we made every attempt to raise the question of the accuracy of the report in the committee before the chairman left the chair to make his report, the report you have in your hand, but the chairman left the chair without allowing us to hear his report and discuss its contents.

Therefore, sir, we say that you have no right to receive that report, or that if you receive it you must allow us now, because the chairman refused to allow a discussion at the proper stage, to discuss the contents of the report and, if necessary, amend it before you put it to the house.

Mr. Speaker: The report is not a substantive motion. It is not a matter which is debatable and amendable. The hon. member attempted, as he has said—and I have no reason not to believe what he says—to discuss the accuracy of the report in the committee of the whole. If he attempted to do so and did not succeed that is a matter the committee had in its own hands—

Northern Ontario Pipe Line Corporation

Some hon. Members: Oh, oh.

An hon. Member: The chairman just got up and left.

Mr. Ellis: The chairman turned his back on the chair.

Mr. Speaker: I know the climate perhaps is not what we have known it to be at other times.

Mr. Lennard: It is not the climate, I can tell you that.

Mr. Speaker: I know there are some hon. members here who have had a great deal of experience in these matters, and know very well at this present moment I have no other duty to perform than to put the chairman's report to the house.

Mr. Trainor: Mr. Speaker—

Mr. Speaker: Order.

Mr. Speaker put the question as follows:

Mr. Robinson (Simcoe East) of the committee of the whole reports that when it was considering an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Fulton raised a point of order to the effect that the proceedings of the committee were irregular in that no opportunity was being afforded for the Leader of the Opposition to speak.

The chairman stated that when the Minister of Trade and Commerce and the Leader of the Opposition rose in their places he called the Minister of Trade and Commerce as is the custom in committee of the whole, and since the committee had negatived a motion that the Leader of the Opposition be now heard, he ruled that Mr. Fulton's point of order was not a true point of order. Whereupon Mr. Fulton appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Tucker
Viau
Villeneuve
Vincent
Weir
Weselak
White (Waterloo South)
Winters
Wylie—144.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt

Nicholson	Starr
Nowlan	Stewart (Winnipeg North)
Pallett	Trainor
Pearkes	Tustin
Rea	White (Hastings-Frontenac)
Robinson (Bruce)	White (Middlesex East)
Rowe	Zaplitny—59.
Small	
Stanton	

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

Mr. McGregor: I was paired with the hon. member for Hamilton East (Mr. Ross). Had I voted, I would have voted against sustaining your ruling.

And the house having resumed in committee:

Mr. Stewart (Winnipeg North): I have a point of order I want to raise.

The Chairman: Do I understand the Leader of the Opposition is rising on a point of order?

Mr. Drew: No, I am rising to speak.

The Chairman: Will all hon. members resume their seats? Just a few moments ago the motion of the hon. member for Kamloops that the Leader of the Opposition be now heard was negatived, and I had recognized the Minister of Trade and Commerce.

Mr. Stewart (Winnipeg North): Mr. Chairman, if you recognize anyone, I want to be recognized.

Some hon. Members: Sit down.

The Chairman: Do I understand that the hon. member for Winnipeg North is rising on a point of order?

Mr. Stewart (Winnipeg North): I certainly am.

The Chairman: I shall see the hon. member for Winnipeg North on a point of order.

Mr. Stewart (Winnipeg North): I came into this chamber while you, sir, were in the process of putting the question to the committee. I did not hear you put the entire question, so I refrained from voting; but there were two other members of the Liberal party who came in after I did. One was the Minister of National Revenue and the other the hon. member for Vegreville, and both of them were allowed to vote. I ask that those votes be nullified.

The Chairman: Order. I meant to mention that, and I am grateful to the hon. member for drawing it to my attention. I had meant to mention it, but in the tenseness of the moment it escaped my attention.

Mr. Harkness: Naturally.

The Chairman: Some months ago, as hon. members will well recall, we had a similar situation on a committee vote, and hon. members arrived in the chamber while the question was being put. On that occasion I made the suggestion to members of the committee that I would use these words, "The question is the following one", and then proceed to put the question. I indicated to members of the committee that this would be what I think I called at that time "the cut-off point", up to which time they would feel free to either enter the committee or remain outside.

Hon. members will realize it is difficult to spot these things but I assure you that hon. members to my left transgressed this evening and hon. members to my right also transgressed, and I did not disallow any of the votes. As a matter of fact I did not see the hon. member for Winnipeg North enter the chamber but hon. members will realize it is very difficult for the Chair to spot these transgressions, and I do once more commend to the committee the suggestion I made before that the phrase, "The question is the following one," should be the cut-off point.

Mr. Stewart (Winnipeg North): Do I understand, Mr. Chairman, that these votes will not be disallowed?

The Chairman: If I were to rely on my own observation I would disallow—

Mr. Stewart (Winnipeg North): Do you dispute my accuracy?

The Chairman: If I were to rely on the basis of my observation, which I presume I must do, I think I would have been forced to disallow two votes on one side and two votes on the other.

Mr. Harkness: Oh, oh.

The Chairman: That was my observation, and I did not disallow any votes.

Mr. Ferguson: Mr. Chairman, I want my vote taken off the list. I should not have voted. I was late and I should not have voted. I know the rules. I stayed out of the chamber when I knew I was late and I should not have been permitted to vote.

Mr. Hees: Mr. Chairman—

The Chairman: Do I understand that the hon. member is rising on a point of order? I recognize the hon. member for Broadview.

Mr. Ferguson: Take my name off.

Mr. Hees: Several days ago I rose in this debate, and I believe I was on my feet before the hon. member for Calgary South. At that time you gave the floor to the hon. member

for Calgary South and I asked you on what basis you did so. You said you did so on the basis that you recognized the member who rose first. Now, I understand that a minister has no more rights in this house than a private member.

Mr. Fulton: That was so until yesterday.

Mr. Hees: I understand that a minister has no more rights than a private member.

Mr. Diefenbaker: That is not so this year.

Mr. Hees: Before six o'clock the Leader of the Opposition rose and the Minister of Trade and Commerce rose. I watched both men very carefully and there was no doubt that the Leader of the Opposition rose more quickly than did the Minister of Trade and Commerce. The Leader of the Opposition was on his feet before the Minister of Trade and Commerce was half way up. I ask you, Mr. Chairman, on what basis at that time you awarded the Minister of Trade and Commerce the right to speak in preference to the Leader of the Opposition.

Some hon. Members: Hear, hear.

Mr. Howe (Port Arthur): Mr. Chairman—

The Chairman: That question has already been decided by a vote of the committee just a few moments ago.

Mr. Hees: No, Mr. Chairman; on a question of privilege—

Mr. Howe (Port Arthur): The purpose of clause 3 of the bill—

Mr. Hees: On what basis did you award the right to speak to the Minister of Trade and Commerce?

Some hon. Members: Order.

Mr. Hees: You have not answered my question.

Some hon. Members: Sit down.

Mr. Howe (Port Arthur): The purpose of clause 3 of the bill—

Some hon. Members: Sit down.

Mr. Hees: Mr. Chairman—

The Chairman: Order.

An hon. Member: Answer the question.

Mr. Howe (Port Arthur): The crown corporation consists of—

The Chairman: The hon. member cannot ask me to answer a question. The hon. member can rise to speak to a point of order, but I believe the point of order he is raising has been decided by a vote of the committee tonight. The question of precedence in speakers has already been decided by a vote of the committee.

Mr. Hees: No, Mr. Chairman, that was not decided by a vote. I asked you—

The Chairman: Order. The hon. member for Winnipeg North Centre is rising on a point of order.

Mr. Knowles: Yes. On the point of order, Mr. Chairman, I wish you would examine the statement you have just made that the house has made a decision to hear the Minister of Trade and Commerce—

An hon. Member: The committee.

Mr. Knowles: The only decision the house made was against hearing the Leader of the Opposition.

The Chairman: I hope the hon. member did not misunderstand me. I said that a vote of the committee had decided that the floor should be given to the minister.

Some hon. Members: No, no.

Mr. Knowles: Mr. Chairman, that is exactly my point. The vote of the committee—

The Chairman: I beg the hon. member's pardon. The vote of the committee was that the floor should not be given to the Leader of the Opposition.

Mr. Knowles: That is right. The committee has not decided to hear the Minister of Trade and Commerce.

Mr. Hees: And, Mr. Chairman, I asked you to tell me—

Mr. Pickersgill: Mr. Chairman—

Mr. Howe (Port Arthur): Mr. Chairman—

Mr. Harkness: Jumping Jack.

Mr. Bell: We want "Pick".

The Chairman: Will all hon. members please resume their seats.

Mr. Fulton: Mr. Chairman, I move that the Minister of Citizenship and Immigration be now heard.

The Chairman: May I point out—

Some hon. Members: Question.

The Chairman: May I point out—

Some hon. Members: Question.

The Chairman: May I point out to the hon. member for Kamloops that I cannot entertain that motion because I am quite certain that the Minister of Citizenship and Immigration was not on his feet.

Some hon. Members: He was.

The Chairman: I recognize the Minister of Trade and Commerce.

Mr. Drew: Mr. Chairman, on a point of order, the motion that has been made is a motion which is certainly in order. The Minister of Citizenship and Immigration was on his feet to speak as every hon. member in this house has a right to be; therefore the motion that he be now heard is in order and should be entertained.

Mr. Gardiner: He had no right to be on his feet.

Mr. Howe (Port Arthur): Mr. Chairman—

Some hon. Members: We want "Pick"; we want "Pick".

The Chairman: Order. May I inquire if the Leader of the Opposition is seriously advancing that point of order?

An hon. Member: What a question.

Mr. Drew: Mr. Chairman, I am advancing this in the utmost seriousness. The Minister of Citizenship and Immigration not only was on his feet to speak but was asserting his right to speak with the Minister of Trade and Commerce as well as with his colleagues. There is now a motion before you that he be heard. He was on his feet; therefore I submit that you must recognize that fact and accept the motion.

Mr. Rowe: The Minister of Trade and Commerce is sitting down now.

Mr. Harris: May I speak to the point of order?

An hon. Member: Sit down.

The Chairman: I am in some doubt as to whether to entertain this point of order.

An hon. Member: Why not?

The Chairman: But I propose to do so.

Mr. Rowe: Ask him if he is speaking on the point of order.

The Chairman: I shall do so very quickly, and I hope my report will be satisfactory to hon. members of the committee if it is appealed. Standing order 29 reads as follows:

> When two or more members rise to speak, Mr. Speaker calls upon the member who first rose in his place.

The moment I recognized the right hon. Minister of Trade and Commerce was before we rose at six o'clock, and I can assure hon. members that the Minister of Citizenship and Immigration was not on his feet at that time. Therefore I must rule against the point of order taken by the Leader of the Opposition.

Mr. Fulton: There is no point of order; there is a motion. My first motion was that the Leader of the Opposition be now heard, and that motion was rejected by the committee. I then rose on a point of order, you received that point of order and ruled against it, and there was an appeal to the house. That was an intermediate proceeding. Therefore it is in order to make a further motion that a member be now heard. After that intermediate proceeding the Minister of Trade and Commerce rose, as also did the Minister of Citizenship and Immigration, who wrestled with the Minister of Trade and Commerce for the floor. I accordingly then moved that the Minister of Citizenship and Immigration be now heard. It is not a point of order, it is a motion which you must put to the committee. You have no option.

Mr. Harris: I hope I can be heard on the point of order.

An hon. Member: No point of order.

An hon. Member: It is a motion.

An hon. Member: An undebatable motion.

An hon. Member: Sit down.

Mr. Harris: I heard the Leader of the Opposition rise on a point of order. If the Leader of the Opposition had a point of order anyone on this side may speak to it. The Leader of the Opposition raised a point of order as to whether this motion was in order.

Mr. Fulton: No, he did not.

Mr. Harris: All right, I am coming to that. Now, as I read the rule—

An hon. Member: The rule, oh, oh.

Mr. Harris: The rule provides for a motion of this kind.

Mr. Bell: You can't get out of this one, Walter; you can talk for two days but you can't get out of this one.

Mr. Harris: Mr. Chairman, two hon. members rose at five or ten minutes to six o'clock. One of them was recognized by the chair and the other was the subject of a motion to be heard as provided by the rules. Now, when that is disposed of the situation reverts to the former position, namely that you recognize the Minister of Trade and Commerce.

An hon. Member: Oh, no.

Mr. Drew: Mr. Chairman, on the point of order—

The Chairman: Would the Leader of the Opposition assist me to this extent. He and the hon. member for Kamloops appear to have stated the point of order in slightly

different terms. Could I have a clear exposition of the point of order on which the Leader of the Opposition rose?

Mr. Drew: Mr. Chairman, the point of order is very simple. I recognize the fact that the motion was heard as to whether I should speak. There were two members on their feet at the same time, and every hon. member of this committee knows they were on their feet. At the time they were on their feet the hon. member for Kamloops moved that the Minister of Citizenship and Immigration be heard. That motion is in order and I submit that it should be heard. The fact that the Minister of Citizenship and Immigration sat down under the private closure of the Minister of Trade and Commerce has nothing to do with the fact that the motion is in order. I submit that you should put that motion.

Some hon. Members: Question.

The Chairman: Order. I must decide the point of order which has been raised.

An hon. Member: Not the point of order; it is a motion.

An hon. Member: Put the motion.

The Chairman: May I express it in these terms. The previous motion by the hon. member for Kamloops was that the Leader of the Opposition be now heard.

An hon. Member: That was decided.

The Chairman: Order. He was entitled—

An hon. Member: You are behind the times.

The Chairman: I can stand until we have order. Some hon. members are saying, "Put the motion", but may I point out to hon. members—

Some hon. Members: Oh, oh.

The Chairman: Order.

An hon. Member: He is all wiggling to go.

The Chairman: May I point out to hon. members that the basis of the first motion of the hon. member for Kamloops was that two or more members had risen to speak. That occurrence took place before we rose at six o'clock. I cannot possibly entertain another motion to the same effect at this time, as I do recognize the right hon. Minister of Trade and Commerce. Therefore I will not accept this motion, and so rule.

Mr. Fulton: Mr. Chairman, I appeal your ruling.

The Chairman: The hon. member has appealed my ruling.

[The Chairman.]

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

In the committee of the whole, when it was considering Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Drew raised a point of order to the effect that a motion proposed by Mr. Fulton that the Minister of Citizenship and Immigration be now heard must be put from the chair.

I ruled that I could not entertain the motion in view of the fact that a previous motion of the hon. member had decided the question as to who should now be heard. Whereupon Mr. Fulton appealed to the house from the ruling of the Chair.

Mr. Speaker put the question as follows:

In the committee of the whole when it was considering Bill No. 298 the chairman reports that Mr. Drew raised a point of order to the effect that a motion proposed by Mr. Fulton that the Minister of Citizenship and Immigration be now heard must be put from the chair. He ruled that he could not entertain the motion in view of the fact a previous motion of the hon. member had decided the question as to who should now be heard. Whereupon Mr. Fulton appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Applewhaite
Arsenault
Ashbourne
Batten
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Bonnier
Boucher
Bourget
Breton
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Demers
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gardiner
Garland
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gourd (Chapleau)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)

Lafontaine
Lapointe
Leduc (Gatineau)
Lefrançois
Legare
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McMillan
McWilliam
Maltais
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Philpott
Pickersgill
Pinard
Pommer
Poulin
Power (Quebec South)
Power (St. John's West)
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robichaud
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thibault
Thomas
Tucker
Viau
Villeneuve
Vincent
Weir
Weselak
White (Waterloo South)
Winters
Wylie—146.

NAYS

Messrs:

Aitken, Miss
Argue
Balcer
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Ferguson
Fleming
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacLean
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
White (Middlesex East)
Zaplitny—59.

Mr. Speaker: I declare the chairman's ruling sustained.

And the house having resumed in committee:

Northern Ontario Pipe Line Corporation

On clause 3—*Establishment and constitution.*

Mr. Howe (Port Arthur): Mr. Chairman, section 3 establishes a crown corporation in the form usual for crown corporations appointed by the federal government. The president and the four directors are appointed.

Mr. Trainor: Mr. Chairman, on a point of order, may I ask if you have called section 3?

Mr. Harris: Yes, before six o'clock.

Mr. Howe (Port Arthur): The head office of the corporation shall be in the city of Ottawa. The directors receive no salaries but are allowed their living expenses and the usual provisions are made for civil servants who may be employed entirely by the corporation.

Mr. Chairman, I move that further consideration of this clause be postponed.

Some hon. Members: Boo! Boo!

Mr. Fleming: Shame.

Mr. Knowles: Mr. Chairman—

The Chairman: Is the hon. member speaking to a point of order?

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

The Chairman: Mr. Howe (Port Arthur) moves that further consideration of clause 3 be postponed.

Mr. Ellis: Why not close up parliament?

Mr. Diefenbaker: Merits have now been waived.

Mr. Knowles: Mr. Chairman, I rise on a point of order. It is my submission that this motion now moved by the Minister of Trade and Commerce is out of order on at least two counts. My first submission I shall state very briefly, because it is the same one I made with respect to two other motions the minister has moved in the committee this afternoon.

Before reminding you, Mr. Chairman, of my contention in that regard may I suggest that a great man once said that a precedent which has never been re-examined cannot be conclusive. I submit the fact that a precedent has been set—indeed set twice today—does not bind this committee now that we have at another stage another motion. After all, we have not previously had a motion that the further consideration of clause 3 of this bill be postponed. I therefore submit that it is a new motion and that it is the duty of Your Honour and of the committee to consider it in the light of the rules. If there are any previous rulings or previous votes of the house the other way I submit that it is the part of wisdom and responsibility that those precedents be re-examined.

I recognize the fact, Mr. Chairman, that as a result of my pressing the wording of standing order 78 (1) it may be said by some that I am pressing technicalities. But the wording is extremely clear:

78. (1) In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

I urge those words, that the committee is to consider the clauses of the bill in their proper order. I know there are those who would say that one is pressing a technicality with regard to this matter, but may I quote these words:

It will be argued, perhaps, that the reasons which I advance are purely legal subtleties. Name them as you please, "technical expressions", "these legal subtleties", it matters little; for my part, I say that these technical reasons, these legal subtleties are the guarantees of British liberty. Thanks to these technical expressions, these legal subtleties, no person on British soil can be arbitrarily deprived of what belongs to him. There was a time when the procedure was much simpler than it is today, when the will alone of one man was sufficient to deprive another of his liberty, his property, his honour and all that makes life dear.

Mr. Fleming: C. D. Howe.

Mr. Knowles: Let me continue:

But since the days of the Great Charter never has it been possible on British soil to rob a man of his liberty, his property or his honour, except under the safeguard of what has been termed in this debate technical expressions, and legal subtleties.

Those are not my words, Mr. Chairman, but I gladly re-echo them tonight. They are the words of Sir Wilfrid Laurier. Another great man 22 centuries ago said this:

There is no free state where the laws are not supreme.

Those are the words of Aristotle. We in this House of Commons operate under laws. We call them our standing orders, our rules of debate. With all the seriousness I can command I submit that standing order 78(1) is being violated by the motion the minister now seeks to make, and that this house has the responsibility to consider the strict wording of standing order 78(1). If any precedents improperly established earlier today stand in the way, I submit it is our moral obligation to re-examine those precedents in line with the quotation I gave a while ago from Henry Clay.

So, Mr. Chairman, I urge that you give this matter your most serious consideration. I point out also, for I said that I based my position with respect to the invalidity of this motion on two grounds—

The Chairman: Order. May I ask the hon. member who is raising the point of order if he would assist me in this respect. Standing order 78(1) to which he is referring was the old standing order 76 and in the "Annotations, Comments and Precedents" under the old standing order 76 we find citation 691, which I mentioned this afternoon and which says that the consideration of a clause may, on motion made, be postponed. I wonder if the hon. member would help me on that?

Mr. Knowles: I am very happy to help you, Mr. Chairman. I thought I dealt with that on the second or third occasion I was speaking this afternoon. Yes, citation 691 says:

The consideration of a clause may, on motion made, be postponed—

But I submit that there has to be consideration before consideration can be postponed. It may be satisfactory to the Minister of Citizenship and Immigration, it may be satisfactory to the Liberals generally that the Minister of Trade and Commerce has given the matter consideration, but for the rest of us that is consideration by only one man; it is not consideration by parliament and that is what is called for.

I wish to remind you, sir, that there is another citation which I think applies very appropriately to clause 3, and to the attempt to postpone consideration of that clause. After all, it is the clause which establishes the Northern Ontario Pipe Line Crown Corporation. Without this clause, there is no bill. The pith of the bill is here in clause 3. May, at the top of page 537, in his fifteenth edition says this:

A proposal to postpone the only effective clause of a bill until the subordinate clauses have been considered, or to postpone part of a clause, is out of order.

Do I need to emphasize those words?

Mr. Stewart (Winnipeg North): Yes, do it again.

Mr. Knowles: "Is out of order." There is no question, Mr. Chairman, that all the other clauses of the bill are subordinate to and dependent upon this operative clause which sets up the Northern Ontario Pipe Line Crown Corporation. What does the Minister of Trade and Commerce take this parliament for? He wants us to bypass the most important, operative clause and go on to discuss clauses that are contingent and dependent upon the heart of the bill which is in this clause.

Mr. Chairman, if ever there was a demonstration of the validity of standing order 78 (1), it is being demonstrated now by what the minister asks us to do. Whoever drew these rules in the first place, let alone our committee which revised many of them last year, must have had some reasons for a rule

such as this. Surely it is clear that parliament is being made a laughingstock if it is asked to consider the subordinate clauses before it considers the main ones.

Let me say another word about the importance of adhering to the rules. Again I quote from an ancient authority. This time it is from Hatsell, who a century and a half ago wrote four volumes on "Precedents in the Proceedings in the House of Commons."

An hon. Member: Is that the hon. member for Macleod?

Mr. Knowles: No, I am sorry; this name is Hatsell, not Hansell. At page 237 of volume 2, which is a musty volume to be found in the library, there is a citation which is included in Beauchesne's third edition as citation 818. This citation reads:

> So far the maxim is certainly true and founded on good sense that as it is always in the power of the majority by their numbers to stop any improper measures proposed on the part of their opponents, the only weapon by which the minority can defend themselves from similar attempts from those in power are the forms and rules and proceedings which have been found necessary from time to time and are become the standing orders of the house—

I emphasize these next words, sir, for your benefit because this matter is in your hands.

> —by a strict adherence to which the weaker party can alone be protected from those irregularities and abuses which these forms were intended to check—

And I draw these words to the attention of the Minister of Trade and Commerce.

> —and which the wantonness of power is but too often apt to suggest to large and successful majorities.

There is another principle, Mr. Chairman, that is involved in what the Minister of Trade and Commerce is seeking to do now, and I confess that I have not found this rule in any book. But I have heard it quoted from the government side and the opposition side time and time again. In fact I think it is a favourite of the Minister of Finance. It is to the effect that you cannot do indirectly what you may not do directly.

Mr. Chairman, is that not what the government is up to in this whole performance that has been going on today? The government knows that unless each of the seven clauses of this bill has had some consideration it will not be in a position, when the time it has chosen comes, to move closure, which calls for a motion that would prohibit the further postponement of any consideration. In other words, it is going through the farce today of getting what will technically be called some consideration of each of these clauses so that at a certain point in the proceedings it will be legally in a position to move that there be no further postponement of the consideration of clauses 1 to 7, or however far the government intends to go.

In other words, this whole farce to which the House of Commons has been subjected today appears to us on this side to be part of a plan to get ready for the imposition of closure, and in working out that plan the government has come to the realization that it might not be able to achieve closure on time because some of the clauses would not have been considered at all. We are therefore to be put through this farce of having clauses nominally considered because the minister has stood up and said two or three words.

I remind you that yesterday Mr. Speaker made it crystal clear that a certain speech of the Minister of Trade and Commerce in 1948 was not a debate. He even argued that a speech of mine that took half an hour was not a debate. Today we are being asked to accept these proceedings on clauses 1, 2, 3 and so on as consideration, so that when the time comes and the government wants to move closure it will legally from its point of view, but not legally from my point of view, be able to invoke the closure rule. I submit, Mr. Chairman, that is trying to do indirectly what the government cannot do directly.

The purpose of the closure rule—

Some hon. Members: Ten o'clock.

The Chairman: I shall have over night to think about what the hon. member has said.

Mr. Knowles: I have a few more words to say, but I shall conclude my argument when this matter is called again.

Mr. Fleming: And I wish to be heard on the point of order.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: Mr. Speaker, I find that last evening I inadvertently thought we had an evening session and forgot to announce the business of the house. I think no hon. member misunderstood, and I know they will not tomorrow. We shall continue with this debate.

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

Questions

ANSWERS TO QUESTIONS

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

PUBLIC SERVICE—PERSONNEL STATISTICS

Question No. 477—**Mr. Holowach:**

1. What was the total number of permanent and casual employees of the government of Canada, including employees of crown companies, for the year ending December 31, 1955?
2. What was the total amount of salaries, wages and allowances paid such employees?
3. How many women were employed in the civil service of Canada during the years 1954 and 1955?
4. What percentage of the total number of persons employed would this number of women be?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2. This information is to be found in a document published monthly by the dominion bureau of statistics entitled "Federal government employment".

3 and 4. This information is not available in the bureau of statistics.

WHARF CONSTRUCTION, MACAMIC, QUE.

Question No. 488—**Mr. Dufresne:**

1. What was the cost of construction of the wharf at Macamic, township of Chapleau, at the mouth of the Lois river and lake Macamic, in 1949 or 1950?
2. What was the cost of (a) materials; (b) labour in connection with such work?
3. Since the construction of this wharf, what additional work has been done, on what dates and in what amounts?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Cost of construction of wharf completed December, 1948—$2,957.35.

2. (a) materials—$1,879.10; (b) labour—$1,078.25.

3. In 1949, from October 7 to November 10, the upper part of the headblock was rebuilt to compensate for settlement, which had been anticipated when the structure was built, due to difficult soil condition. Stone ballast was replaced in the structure and the approach graded, at a total cost of $2,291.87.

In 1954, from June 21 to August 3, the site adjacent to the wharf was cleaned, and a 12 by 32 foot widening built to the cribwork, at a total cost of $2,790.77.

In 1955, from August 19 to September 13, minor repairs were carried out to the flooring system of the wharf, to the gravel approach and to the structure in general, at a total expenditure of $1,478.74.

AUTOMOBILE ACCIDENTS, 1950-55

Question No. 502—**Mr. Hahn:**

1. How many automobile accidents were reported in each of the provinces for the years 1950 to 1955?
2. How many of these involved damage claims in excess of $200?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Trade and Commerce:**

1 and 2. Motor vehicle traffic accidents are tabulated by, or for, the various provinces based on their individual legislation concerning the minimum reportable amount of property damage resulting from each accident. (See statement.)

As the result of a dominion-provincial conference held in December, 1954, all provinces have agreed that accidents should be based on a reportable minimum of $100 per accident.

Information concerning accidents involving damage claims in excess of $200 is not available.

MOTOR VEHICLE TRAFFIC ACCIDENTS 1950-1955

Year	Canada	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon-N.W.T.
1950.....	132,965[1]	1,126	399[4]	5,682[4]	2,956[4]	34,300[2]	43,681[4]	10,534[5]	6,523[6]	9,735[7]	18,029[4]	**
1951.....	199,669	1,488[4]	951[8]	7,149[4]	3,422[3,4]	82,211[5]	54,920[4]	9,743[4]	7,324[6]	11,865[7]	20,381[4]	215[5]
1952.....	227,970	565[4,10]	1,041[4,8]	8,519[4]	4,329[4]	99,153[5]	58,515[4]	10,254[4]	9,463[6]	14,697[9]	21,189[4]	245[5,9]
1953.....	235,445	2,692[4]	982[4,8]	8,984[4]	4,932[4]	88,699[5]	65,866[4]	12,832[4]	11,061[6]	16,964[9]	22,096[4]	337[5,9]
1954.....	143,168[14]	3,159[4]	1,128[4,11]	9,812[4]	6,512[4]	**	62,509[4,12]	12,943[4]	8,631[6]	15,649[9]	22,425[4]	400[5,9]
1955.....	144,846[14]	2,266[6]	828[6]	10,876[4]	6,169[6]	**	63,219[6]	12,960[4]	9,048[6]	17,041[6]	22,030[6]	409[6,13]

** Not available.
[1] Includes estimate for Quebec.
[2] Estimated.
[3] Partly estimated.
[4] Property damage over $50.
[5] Property damage over $25.
[6] Property damage over $100.
[7] Property damage for accidents over $75—Edmonton estimated.
[8] Charlottetown, P.E.I.—All accidents.
[9] Alberta and N.W.T.—$75 and over.
[10] City of St. John's only.
[11] Charlottetown, P.E.I.—January 1 to September 30—all accidents—October 1 to December 31—$50 or over.
[12] The Ontario minimum was raised from $50 to $100 effective April 6, 1954.
[13] Yukon—$75 and over.
[14] Excludes Quebec.

HOUSE OF COMMONS

Friday, May 25, 1956

The house met at eleven o'clock.

FARMERS' CREDITORS ARRANGEMENT ACT

AMENDMENTS REMOVING LIMITATIONS RESPECTING DATE OF DEBT, ETC.

Mr. G. H. Castleden (Yorkton) moved for leave to introduce Bill No. 350, to amend the Farmers' Creditors Arrangement Act.

Mr. Fleming: Explain.

Mr. Castleden: Mr. Speaker, the purpose of this bill is to restore the Farmers' Creditors Arrangement Act to some measure of usefulness. Certain limitations in the original act regarding the date prior to which debt must be incurred in order to qualify have rendered it useless and inoperative. The amendments eliminate those limitations and restore the act as an instrument of some little usefulness which was intended in the original legislation.

Motion agreed to and bill read the first time.

CANADA SHIPPING ACT

AMENDMENTS RESPECTING REGISTRATION, CERTIFICATES, ETC.

Hon. George C. Marler (Minister of Transport) moved the first reading of Bill No. 349 (from the Senate), to amend the Canada Shipping Act.

Motion agreed to and bill read the first time.

PIPE LINES

TRANS-CANADA PIPE LINES—REQUEST FOR DETAILS OF ALTERNATIVE PROPOSALS

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the Prime Minister's statement of May 7 that the government would welcome any proposals from responsible Canadians with regard to the construction of the pipe line, will the Prime Minister inform us if the government has in its possession any proposals or offers of proposals other than those which have already been discussed, namely, those of Mr. McMahon and Mr. Gairdner.

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not know whether the letters given to the press by Mr. Champion could be regarded as a proposal. That is the only one of which I have any knowledge.

Mr. Donald M. Fleming (Eglinton): May I ask when the Prime Minister received knowledge of the letters of Mr. Champion, or the first of them?

Mr. St. Laurent (Quebec East): The Minister of Finance (Mr. Harris) spoke to me this morning about those letters and informed me that the proposal contained in the letter of May 10 was one which he felt could not be taken seriously and he would have been lacking in responsibility if he had taken up the time of his colleagues with it.

Some hon. Members: Oh, oh.

Mr. St. Laurent (Quebec East): The letter of May 22 had been brought to his notice but he had had no opportunity since to give it his personal attention and up until the time he had been informed that the letter of May 24 had been made public he himself had not received it.

Mr. Howard C. Green (Vancouver-Quadra): Are we to take it from what the Prime Minister has said that these proposals have not been placed before the cabinet?

Mr. St. Laurent (Quebec East): They have not been placed before the cabinet, and if the letter had been addressed to me I would not have felt they were proposals that required to be placed before the cabinet.

Mr. Fleming: I take it from the Prime Minister's statement that this morning is the first time that the letters, or either of them, have been brought to the attention of the Prime Minister by the Minister of Finance.

Mr. St. Laurent (Quebec East): That is quite correct, sir.

[*Later:*]

On the orders of the day:

Mr. Fleming: May I ask the Minister of Finance when it was that he received Mr. Champion's letter of May 10, and perhaps he could also indicate when he received the subsequent letter?

Hon. W. E. Harris (Minister of Finance): Mr. Speaker, I must have received the letter of the 10th on the 11th because I acknowledged it on the 11th.

Mr. Green: May I ask the minister if he will table the correspondence with Mr. Champion.

Mr. Harris: Yes. I can read my acknowledgment now.

I have your letter of May 10, 1956, and I presume you have read the statement of government policy made in the House of Commons last week respecting the construction of an all-Canadian gas pipe line. The contents of your letter do not indicate that you have at the present time a specific, detailed and viable proposal. Your suggestion that the gas producers accept long-term notes of your company in payment for gas delivered to you does not appear to me to be one that the gas producers would be disposed to accept.

Mr. Green: Mr. Speaker, I asked the minister if he would table all the correspondence—

Mr. Harris: Certainly.

Mr. Green: —including the letters from Mr. Champion.

Mr. Harris: Certainly.

Mr. Drew: May I ask the Prime Minister if his statement of May 7 still stands that the government is prepared to entertain any proposals from any responsible Canadians in regard to the construction of a trans-Canada pipe line?

Mr. St. Laurent (Quebec East): The government has placed a proposal before the house and hopes it will be adopted in time to be effective. If it is, of course there would be no other proposal at this time for the construction of that pipe line that would be considered because no such proposal could be implemented without appropriate legislation in that regard being adopted by parliament, and I am quite sure, after the experience of the last couple of weeks, that it would not be possible to have any other legislation adopted in time to make it possible to have the first leg from Alberta to Winnipeg constructed during this construction season.

Mr. Drew: May I assure the Prime Minister that any sensible legislation will receive prompt consideration.

[*Later:*]

On the orders of the day:

Mr. Solon E. Low (Peace River): Mr. Speaker, I should like to ask the Minister of Finance if he is familiar with the proposal that was put forward some years ago by Mr. Champion for the development of the Athabaska tar sands in Alberta and the opportunity the same gentleman had to perform according to his proposal?

[Mr. Fleming.]

Mr. Harris: I must confess I am not familiar with that particular incident.

Mr. Low: Then I would suggest, Mr. Speaker, that the Minister of Finance—

Some hon. Members: Order.

[*Later:*]

On the orders of the day:

Mr. Drew: Mr. Speaker, may I direct a question to the Prime Minister? In view of the information just received, namely that a communication of May 10 had not been brought to the attention of the Prime Minister until today, will the Prime Minister assure the house that he will make appropriate inquiries in order to see whether any other offers have been made of which he is unaware?

Mr. St. Laurent (Quebec East): Mr. Speaker, I do not think it requires inquiries from my colleagues—

An hon. Member: Oh yes, it does.

Mr. St. Laurent (Quebec East): —to bring to our attention any serious proposal concerning public affairs that may be communicated to them.

Mr. Diefenbaker: Why was not the McMahon proposal brought to his attention?

Mr. E. D. Fulton (Kamloops): Mr. Speaker, from one of the Prime Minister's earlier answers—I think the last answer but one—should we take it that the only way in which it will be possible now to obtain submission to and consideration by the government of any other reasonable proposal would be to defeat this legislation?

Mr. St. Laurent (Quebec East): My hon. friend has a great imagination, and I would leave that matter to his imagination.

Mr. George H. Hees (Broadview): I should like to direct a supplementary question to the Prime Minister in view of his last answer. Was not the proposition from Mr. McMahon handed to the Minister of Trade and Commerce (Mr. Howe) several weeks before he was aware of that fact?

Mr. Rowe: Surely; he told us that.

Mr. St. Laurent (Quebec East): The Minister of Trade and Commerce had received a confidential communication under circumstances which have already been described to the house.

[*Later:*]

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, I should like to ask the Prime Minister: Has any other offer to build a Canadian pipe line, except the one owned 83 per cent

in the United States, been considered by the cabinet as a whole?

Mr. St. Laurent (Quebec East): I know of no proposal made by anyone for a pipe line to be built by a company owned 83 per cent in the United States.

Mr. Rowe: As a supplementary question, I should like to ask the Prime Minister if he does not wish to answer my question? My question was, have any of the other offers been considered by the cabinet as a whole? The Minister of Finance had one and the Minister of Trade and Commerce had another, but you do not know anything about either of them. Have they been considered by the cabinet as a whole?

Mr. Sinclair: You do not even understand your own question.

Mr. St. Laurent (Quebec East): I think all the facts are sufficiently before the house.

Mr. Campbell: As a supplementary question, I should like to ask, when does the government expect the roof of this building to fall down?

[*Later:*]

TRANS-CANADA PIPE LINES—REQUEST FOR EXAMINATION OF ORDER OF TRANSPORT COMMISSIONER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Will the minister examine the order issued yesterday by the board of transport commissioners to ascertain whether that board has adhered strictly to its position as a judicial body or whether, by the chairman's statement, it has become a cog in this pipe-line controversy?

Hon. George C. Marler (Minister of Transport): The answer to that question is no.

Mr. Knowles: No responsibility?

[*Later:*]

INQUIRY AS TO VISIT OF MINISTER WITH MR. MURCHISON

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Did the minister visit and have certain conversations with Mr. Clint Murchison in either the United States or Mexico in 1950?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Well, Mr. Speaker, looking back from 1956, I cannot say.

Mr. Fleming: But you cannot deny it?

Mr. Hamilton (Notre Dame de Grace): I would like to ask a supplementary question, Mr. Speaker. Has the minister had occasion to visit Mr. Clint Murchison's palatial ranch in Mexico?

Mr. Rowe: It could not have been very palatial or he would remember.

Mr. Howe (Port Arthur): I did many years ago. How many years ago, again I would have to look up my correspondence; but it was many years ago. I have known Mr. Clint Murchison for at least 20 years.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, might I ask the Minister of Trade and Commerce whether his answer to my previous question indicates that his friendship with Mr. Murchison extends back over many years?

Mr. Howe (Port Arthur): Well, Mr. Speaker, I know that my hon. friend intends that as a snide remark. I have known a great many people through 40 years of professional work or work in government. Mr. Clint Murchison is one of that great number. The friendship is no more than a friendship I have with a few thousand people whom I happen to know.

Mr. Rowe: It is a lot more than the friendship with Mr. Frank McMahon.

Mr. Howe (Port Arthur): Well, junior, think up another snide question and we will discuss it.

REQUEST THAT MINISTER OF CITIZENSHIP AND IMMIGRATION TAKE PART IN DEBATE

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, may I ask the Minister of Citizenship and Immigration, as he was not allowed to speak last night, whether we might have the pleasure of hearing from him today?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I hope not, sir.

EXTERNAL AFFAIRS

INVITATION TO RUSSIAN AVIATION DAY CELEBRATIONS

On the orders of the day:

Mr. D. S. Harkness (Calgary North): I should like to direct a question to the Minister of National Defence. Has Canada received an invitation, similar to that reported sent to the United States and Great Britain, to send senior military officers to the Russian aviation day celebrations on June 24?

Hon. R. O. Campney (Minister of National Defence): Not to my knowledge.

[*Later:*]

INQUIRY AS TO SENSITIVE AREAS OF THE WORLD

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. Are all the sensitive areas of the world which he mentioned on January 24 outside of the Latin American regions?

Hon. L. B. Pearson (Secretary of State for External Affairs): I would like the hon. gentleman to repeat that important question, Mr. Speaker, because I did not hear it.

Mr. Churchill: I would be glad to do so. By way of explanation, because I have taken the minister by surprise, on January 24 he announced that his department kept a list of sensitive areas in the world which he said numbered 34 with regard to the export of arms. My question is, are all those sensitive areas outside of the Latin American regions?

Mr. Pearson: Mr. Speaker, at the time I indicated it would be unwise for obvious reasons to give a list of the sensitive areas which we have compiled for purposes of special precautions with regard to the export of arms but I can assure the hon. gentleman that the House of Commons is not included in that list of sensitive areas.

Mr. Drew: That is not a very intelligent answer.

LATIN AMERICA—REFERENCE TO EXPORT OF SABRE AIRCRAFT

On the orders of the day:

Mr. Gordon Churchill (Winnipeg South Centre): Perhaps the minister could give a more complete and more satisfactory answer to this question. Was the government of the United States consulted and its consent obtained before the cabinet approved of the export of Sabre jets to the republic of Colombia?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, we do not require the consent of the United States government for exports from Canada.

An hon. Member: Only gas.

Mr. Rowe: Both ways.

Mr. Churchill: May I ask the Prime Minister if he will give some explanation of the answer which he gave me the other day on this question of sending Sabre jets to Colombia, when he said that the application was examined in the light of the policies of other countries towards the export of this type of aircraft to South America? What, I would like to ask, is the policy of other countries with regard to export of this very superior fighter aircraft to South America?

Right Hon. L. S. St. Laurent (Prime Minister): I do not think that I could, on the orders of the day, elaborate. The hon. gentleman knows that the free countries are in almost constant consultation as to the best methods to be adopted to preserve peace in the world, and that is what we do in connection with such things as might appear to be possible of furthering or of creating the tenseness in sensitive areas.

Mr. Churchill: May I ask the Prime Minister if the export of fighter aircraft to the republic of Colombia is, in his opinion, a contribution to maintaining the peace of the world?

Mr. St. Laurent (Quebec East): The exportation of the Sabre aircraft to Colombia is a recognition that it is the right of every country to obtain proper defence equipment in its own interests and in the interests of the peace of the world.

CANADIAN NATIONAL RAILWAYS

FORT ROUGE, WINNIPEG—INQUIRY AS TO REBUILDING OF CAR SHOP

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 tragic fire which destroyed the Canadian National Railways car shop at Fort Rouge, Winnipeg, last Monday evening, can the minister obtain from the management of the Canadian National Railways an assurance that the car shop will be rebuilt in that area?

Hon. George C. Marler (Minister of Transport): I have had no communication on the subject from the Canadian National Railways, and I shall have to make inquiries to know what the railway's plans are in that connection.

ST. LAWRENCE SEAWAY

OPENING CEREMONIES—SUGGESTED INVITATION TO HER MAJESTY

On the orders of the day:

Mr. E. D. Fulton (Kamloops): May I ask a question of the Prime Minister? Will the Prime Minister say whether consideration is being given to extending an invitation to Her Majesty to officially open the St. Lawrence seaway?

Right Hon. L. S. St. Laurent (Prime Minister): There have been suggestions in the press and elsewhere that that would be desirable, and the matter will be given consideration, but before there is anything of a formal

nature done there will, of course, be informal inquiries made as to what may be Her Majesty's pleasure.

TRADE

TURKEYS—REQUEST FOR INCREASED TARIFFS ON UNITED STATES IMPORTS

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): I should like to direct a question to the Minister of Finance. Has the government made any decision regarding the request of the Canadian turkey federation for an increase of the tariff on turkeys entering Canada from the United States?

Hon. W. E. Harris (Minister of Finance): I must say that the government has been considering the request now for some months, but the action that might be taken by that consideration could not be announced at this moment, but I assure you, Mr. Speaker, that I shall, I think, have an announcement in a day or two.

Mr. Charlton: I should like to ask a supplementary question. Does the Minister of Finance realize that the turkey federation brought this to the government's attention as long as two or three years ago?

Mr. Harris: I myself received representations a year ago last fall, and again last fall, and we have been taking some action in the meantime.

CHINA—NEGOTIATIONS BY EAST WEST EXPORT IMPORT COMPANY

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): Mr. Speaker, may I ask the Minister of Trade and Commerce whether he is in a position to make a statement to the house concerning the outcome of negotiations between the communist government of Peking and the East West Export Import Company of Vancouver, under which the press reports that substantial exchanges of goods are to follow?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I am not able to give any information. I have none. As far as I know, the East West Export Import Company has been trying to interest a group of Canadians in visiting Peking under its auspices. I know that several persons have examined the auspices and are not satisfied to make the trip under those auspices. I know of no trade developments.

Mr. Fleming: May I ask the minister whether in the course of negotiations there has been any request from these sources for any revision or modification of the list of strategic materials in relation to shipments from Canada to China or intended for China?

Mr. Howe (Port Arthur): Mr. Speaker, through that organization several attempts have been made to break down the NATO strategic list but we are bound by the NATO list and we intend to be bound by it.

NATIONAL DEFENCE

PETAWAWA—INQUIRY AS TO CONSTRUCTION OF ADDITIONAL ACCOMMODATION

On the orders of the day:

Mr. J. M. Forgie (Renfrew North): I should like to ask a question of the Minister of Public Works. Have any arrangements been made to construct additional accommodation for the troops at Petawawa military camp? If so, will the minister kindly advise the house what those arrangements are?

Hon. Robert H. Winters (Minister of Public Works): May I take that question as notice and answer it early next week?

CAMP GAGETOWN, N.B.—USE FOR TRAINING PURPOSES

On the orders of the day:

Mr. A. J. Brooks (Royal): I should like to direct a question to the Minister of National Defence. Is it the intention of the Department of National Defence to use Camp Gagetown for training purposes this summer and, if so, could the minister give the house an idea of the number of troops expected to be in training there? I should also like to ask him a further question: when will Camp Gagetown be open for training as a permanent camp?

Hon. R. O. Campney (Minister of National Defence): The answer to the first question is yes; Camp Gagetown will be and is being used for training this year. The second question asks as to the number of troops that will be trained there. Subject to correction, I think the figure is in the neighbourhood of 10,000 troops. Third, as to when the permanent camp will be established and in operation, again subject to correction, I should think some time probably toward the end of next year.

Mr. Brooks: There is no definite date?

Mr. Campney: There is no definite date as yet.

Inquiries of the Ministry

THE MINISTRY

INQUIRY AS TO REPORTED APPOINTMENTS

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Prime Minister. Is there any basis of fact to the recent newspaper stories to the effect that Mr. Walter Gordon and the Speaker of this house will soon be asked to join the cabinet?

Right Hon. L. S. St. Laurent (Prime Minister): Whenever there is any announcement that can properly be made in respect of any of those rumours, it will be made in the house.

HOUSE OF COMMONS

INQUIRY AS TO COMPLETION OF SESSIONAL WORK

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to ask the Prime Minister a question. In view of the apparent desire for haste on the part of the house in recent days, as evinced by the government, is it the intention of the government to endeavour to have the house closed by about June 20 to permit the Prime Minister to attend the prime ministers' conference in London, and also to have a session of parliament in the fall?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the course that may have to be determined in that regard will depend upon events as they develop.

Mr. Diefenbaker: What is the general plan of the Prime Minister at this time as to when the house will close? Does he intend to have it close before he attends the conference of prime ministers?

Mr. St. Laurent (Quebec East): I think I must realize, Mr. Speaker, that that would be quite impossible.

CLOSURE—APPLICATION IN OTHER DEMOCRATIC COUNTRIES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the Prime Minister because we cannot get the information in committee. Would he, as a constitutional authority, inform the house and the country when in any other democratic assembly following British tradition notice of closure was given before discussion began or consideration of a bill?

Right Hon. L. S. St. Laurent (Prime Minister): I think we have sufficient problems in our own commonwealth country without discussing in this house the practices that may be followed in other commonwealth countries.

Mr. Diefenbaker: Mr. Speaker, then let us come right home. Can he give any instance in Canada where anything similar to the denial of parliament has taken place previously?

Mr. St. Laurent (Quebec East): The hon. gentleman speaks of the denial of parliament, and I do not admit there is any denial of parliament in trying to bring a proposal to the house and get a decision from the house on that proposal by a time when the decision can be effective.

Mr. Diefenbaker: Denying discussion.

REVISION OF SALARIES OF TEMPORARY EMPLOYEES

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, can the Prime Minister or the Minister of Finance inform the house whether the salary increases recently granted will be generally made applicable to employees of the House of Commons?

Hon. W. E. Harris (Minister of Finance): Well, Mr. Speaker, I am not sure that I understand the question. We provided increases for the one group of employees of the House of Commons some time ago by a motion of this house. At that time the only question left unsettled was the remaining group. I gave an undertaking at that time to the effect that that would be considered and I doubt if any action has been taken since, but I will check.

YORK SOUTH—INQUIRY AS TO DATE OF BY-ELECTION

On the orders of the day:

Mr. Charles E. Rea (Spadina): I should like to direct a question to the Prime Minister. When will the government announce the date of the by-election for York South?

Right Hon. L. S. St. Laurent (Prime Minister): The matter has not yet received consideration.

INQUIRY AS TO CALLING OF EARLY ELECTION

On the orders of the day:

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, through you I should like to ask the Prime Minister this question. In view of his government's unprecedented gagging and stifling of the freedom of parliament—

Some hon. Members: Order.

Mr. Rowe: —to such an extent that it is now impossible for private members to represent their ridings properly—

Mr. Sinclair: You never did.

Mr. Rowe: —would he consider seeking an early dissolution of the house and an appeal to the country?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, that question was answered the other day and I have nothing to add to the answer I then made.

INQUIRY AS TO NOTICE OF FILIBUSTER

On the orders of the day:

Mr. A. W. Stuart (Charlotte): I should like to direct a question to the Prime Minister. Can the Prime Minister recall any other incident in the history of Canada when the government was warned four months in advance that a bill to be introduced would be filibusted by the official opposition?

Right Hon. L. S. St. Laurent (Prime Minister): At the moment I do not recall any.

REFERENCE TO PROCEDURE IN HOUSE ON MAY 24

On the orders of the day:

Mr. G. H. Castleden (Yorkton): I should like to direct a question to the leader of the house. I should like to know whether it is the intention of the government to take steps to prevent the procedure used in this house yesterday from becoming a precedent for parliamentary government in this country?

Mr. Speaker: Orders of the day.

FLOODS

FRASER RIVER—REQUEST FOR ADDITIONAL SANDBAGS

On the orders of the day:

Mr. F. G. J. Hahn (New Westminster): I should like to direct a question to the Minister of National Defence. I am sorry that I failed to send him notice earlier. In view of the rapid rise in the level of the Fraser river and the show of concern by certain municipal authorities that insufficient sandbags are available to fight a flood in that area, would the minister assure the house that sandbags will be made available and will be shipped to strategic points to allay such fears?

Mr. Murphy (Lambton West): Give the government a few more.

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, from information I have been receiving from time to time I understand that the services have been in close contact with the authorities with respect to preparation in the event that there should be a serious flood. I will check to see whether the facts as given to me by the hon. member are correct and, if so, will see what can be done.

MANITOBA—REQUEST FOR STATEMENT ON CONTROL OF ASSINIBOINE RIVER

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, can the Prime Minister make a statement to the house relative to the government's intention in the matter of the draining of the Assiniboine river in western Canada?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, that is a matter which I do not think should be called draining the Assiniboine river in western Canada, but a matter of attempting to control the flow of that river to such an extent as may be practicable to avoid the dangers of flooding. It is a matter that is receiving the attention of engineers as to how and to what extent that can be done and at what cost, and whether or not the economic benefits would be comparable to the costs of the works that might have to be undertaken.

Mr. Drew: Mr. Speaker, may I ask a supplementary question. Has any consideration been given to compensation to those who have suffered from the floods this year?

Mr. St. Laurent (Quebec East): No, Mr. Speaker. No consideration has been given to compensation to those who have suffered from floods this year.

POWER

PASSAMAQUODDY PROJECT—REPORTED APPOINTMENT OF JOINT CANADA-U.S. COMMITTEE

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. Has a joint committee of the United States and Canada been appointed to inquire into the feasibility of the development of the Passamaquoddy tides for hydro-electric power? If so, how many are on the committee and who are the Canadian representatives?

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, without notice I cannot answer that question offhand but I will look into it and give a reply early next week.

Inquiries of the Ministry

HAMILTON RIVER, LABRADOR—INQUIRY AS TO REPORTED DEVELOPMENT

On the orders of the day:

Mr. Howard C. Green (Vancouver-Quadra): May I ask a question of the Minister of Northern Affairs and National Resources? Press dispatches this morning indicate that plans are under consideration for the development of power on the Hamilton river in Labrador, with the transmission of that power to Sept Iles on the north shore of the St. Lawrence river. Can the minister give the house any report concerning that reported development?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): I have read the headlines this morning, but I did not have time to read the article. Of course, the water resources of Labrador are the property of the government of Newfoundland.

Mr. Green: Will the minister make some inquiries and let the house have a report, perhaps at the first of the week?

Mr. Lesage: I shall try to obtain what I can.

ONTARIO—REFERENCE TO STATEMENT OF VICE-CHAIRMAN OF POWER COMMISSION

On the orders of the day:

Mr. Colin Cameron (Nanaimo): I should like to direct a question to the Minister of Trade and Commerce. Would he care to comment on the recent statement of the vice-chairman of the Ontario Hydro-Electric Power Commission that there is no shortage of power in the province of Ontario?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have had no communication from the vice-chairman of the Ontario Hydro-Electric Power Commission. I have had communications from the premier of Ontario and from the provincial treasurer of Ontario and from those I believe there is an impending shortage of power in Ontario. This is part of a statement by the premier of Ontario:

> Water-power sources would be almost exhausted by 1960, and other energies would have to replace them.
>
> That is one of the most important reasons for speeding the building of a proposed trans-Canada natural gas pipe line from Alberta to Ontario.

Mr. Speaker: I take it that the hon. member for Nanaimo, who asked the first question, has a supplementary question.

Mr. Cameron (Nanaimo): Would the Minister of Trade and Commerce consider that the opinion of the premier of Ontario was more important in a technical matter of this sort than that of the actual head of the power commission?

Mr. Howe (Port Arthur): The answer is yes.

[Mr. Pearson.]

AIRPORTS

PATRICIA BAY, B.C.—INQUIRY AS TO WATER SUPPLY

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, may I direct a question to the Minister of Transport. Has Elk lake been abandoned as a source of water supply for the Patricia Bay airport? If so, what alternative supply is contemplated?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I believe the matter is under consideration. I shall be obliged to make inquiries to determine just exactly what is the status of this matter.

IMMIGRATION

REQUEST FOR ADMISSION OF EXPERIENCED TOBACCO WORKERS FROM U.S.

On the orders of the day:

Mr. J. A. Charlton (Brant-Haldimand): Mr. Speaker, I should like to direct a question to either the Minister of Labour (Mr. Gregg) or the Minister of Citizenship and Immigration. Will the government give immediate consideration to a resolution passed by the flue-cured tobacco marketing association of Ontario to permit entry of sufficient experienced primers and tyers from the United States to assist in harvesting the tobacco crop this year?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): I shall be glad to give the matter consideration.

LABOUR CONDITIONS

SAINT JOHN, N.B.—REPORTED LAY-OFFS AT DRYDOCK

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): May I direct a question to the Minister of Labour of which I have given him notice. In the light of continued representations, is the minister now in a position to give further information on the drydock lay-offs in Saint John and the possibility of future federal government naval contracts?

Hon. Milton F. Gregg (Minister of Labour): I am aware that during recent weeks there have been some heavy lay-offs in the Saint John drydock. I have taken the situation up urgently with my colleagues, the ministers of the appropriate other departments and government agencies such as the maritime commission, and I am assured that any work along the Atlantic coast that comes up will be immediately directed to the plant at Saint

John. In the meantime, our national employment service offices are suggesting interim work for those who are temporarily thrown out of employment.

MARITIME PROVINCES—COMPARISON BETWEEN SERVICE AND CIVILIAN WAGE RATES

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): I should like to direct a question to the Minister of Labour. Has the minister authorized a survey to be made in the maritime provinces for purposes of comparison of prevailing rates of pay paid at service establishments compared with civilian employment? Has that survey been authorized and, if so, when does the minister expect it will be completed and a report available?

Hon. Milton F. Gregg (Minister of Labour): Surveys of that kind are going forward all the time and as the results of the surveys are completed reports thereon are made available to the department that asked for the survey to be made.

HEALTH AND WELFARE

CAPE BRETON COUNTY HOSPITAL—INQUIRY AS TO INVESTIGATION

On the orders of the day:

Mr. G. C. Nowlan (Digby-Annapolis-Kings): May I direct a question to the Minister of National Health and Welfare? Is the minister aware of, or has his attention been drawn to, an investigation which is currently being carried out with respect to the Cape Breton county hospital in Nova Scotia? Is that hospital receiving grants from his department?

Hon. Paul Martin (Minister of National Health and Welfare): Of course, that is a hospital that comes under the control of the provincial government, as my hon. friend knows. I am aware of the investigation that is taking place. I cannot say offhand whether or not federal assistance has been given to that hospital, but I suspect, in view of the record of this government, the likelihood is yes.

Mr. Nowlan: And in view of the record of the hospital.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER INTERIM SUPPLY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance. When does the minister intend to ask the house for further interim supply?

Inquiries of the Ministry

Hon. W. E. Harris (Minister of Finance): I presume in due course when I announce it in the house.

Mr. Knowles: As a supplementary question, may I ask the Minister of Finance what he intends to use for money when his present supply runs out?

Mr. Harris: I am afraid that I could not answer that because the occasion has not arisen yet.

ATOMIC ENERGY

URANIUM—ANNOUNCEMENT EXTENDING DATE OF PURCHASE TO 1966

On the orders of the day:

Mr. M. A. Hardie (Mackenzie River): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Will the minister make a statement on the announcement made in the United States this morning to the effect that the date of United States purchases of uranium has been extended to the year 1966?

Right Hon. C. D. Howe (Minister of Trade and Commerce): In my previous announcements to the house regarding the uranium purchasing program I have made reference to the close relationship which exists with the United States atomic energy commission. One feature of this relationship has been the similarity between the uranium buying programs in Canada and the United States. The recent announcement of the United States atomic energy commission concerning the extension of its domestic uranium-buying program suggests that I should clarify the position with respect to the Canadian program.

It is not the intention of the government to extend the Canadian uranium-buying program at this time. In my announcement of last August concerning purchases under the special price contract arrangement I pointed out that there was a limit on the amount of uranium which the United States atomic energy commission would wish to purchase from Canadian sources. I made reference again to this limitation in my statement to the house on March 2 concerning modifications of the special price arrangement. The situation in this respect has not changed. The United States atomic energy commission has stated that the primary reason for the extension of its domestic buying program is the need to maintain ore reserves in the United States. For the most part, the mines found to date in the United States, while numerous, do not have large ore reserves. On the basis of current and projected production rates, the present reserves would be close to exhaustion by 1962 unless ore replacements are found. It is considered that

this can best be accomplished by encouraging the continued search for new ore deposits. The Canadian position is quite different. Most of the new mines which have been discovered in Canada have very large ore reserves. Even when the current contracts are completed, these mines will have substantial ore reserves. The Canadian position differs in another respect, namely, the anticipated requirement of uranium for domestic use. Even on the basis of the most optimistic forecast that can now be made as to the role of nuclear power in the Canadian economy, our resources of uranium will be greatly in excess of our domestic requirements for many years to come and we shall need to obtain export markets. The anticipated level of requirements in the United States, both for military and civil purposes, is vastly in excess of the anticipated requirement in Canada.

With respect to the position of the Canadian producer after March 31, 1962—the present termination date for deliveries under existing contracts—it should be noted that the special price contracts contain a clause which provides that the purchaser will have an option to extend the contract. The house will appreciate the difficulty of estimating the level of uranium demand six years in advance of that demand. However, every effort will be made to clarify the position with respect to the exercise of these options at the earliest possible date. The government is anxious to ensure that this important new industry will have continuing markets beyond March 31, 1962.

Negotiations are now under way whereby the United Kingdom will obtain from Canada part of its requirements of uranium. This uranium will be supplied under an arrangement similar to that which now prevails with the United States atomic energy commission. The quantities involved will be supplied from the contracts which will be entered into under the existing special price arrangement. As the house is aware, the United States, the United Kingdom and Canada have had a very close relationship in the atomic energy program since its inception. The proposed arrangement is a continuation of this policy of tripartite co-operation.

As regards the export of uranium to other countries, the house will recall that in my announcement of August 3 and my announcement to the house of March 2 I stated that the government would take under consideration the establishment of an export policy for uranium. I pointed out that because uranium can be used for military purposes it was considered desirable that an export policy should be established with due regard to security provisions. It is the hope of the government that arrangements for the marketing of uranium for peaceful uses can be worked out within a suitable international framework. As the house is aware, a 12-nation conference was held in Washington during the month of March for the purpose of considering a draft statute for an international agency for atomic energy. Canada was an active participant in this conference. The statute agreed upon at that conference will be submitted to a general conference in September next, at which there will be in attendance representatives of all the member countries of the United Nations. In the circumstances, it is considered advisable that establishment of export policy should await the outcome of the discussions at the September conference.

My remarks up to this point refer to arrangements involving substantial quantities of uranium. The government is now prepared to consider arrangements for supplying research quantities of uranium to other countries under bilateral agreements.

INQUIRY AS TO USE IN PRODUCTION OF ELECTRICITY

On the orders of the day:

Mr. John Pallett (Peel): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce arising out of the one proposed to him by the hon. member for Mackenzie River (Mr. Hardie). Can the minister tell this house when it may be expected that electricity will be generated in Canada from the use of atomic power?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, I shall endeavour to secure the information and give it later. I would not like to give a date offhand.

FINANCE

REFERENCE TO REMARKS OF MINISTER IN DEBATE ON MAY 21

On the orders of the day:

Mr. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to direct a question to the Minister of Finance. Would the minister tell us what amount he had in mind when he said in his speech last Monday, as reported on page 4141 of *Hansard*:

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

An hon. Member: It has only sunk in now.

Hon. W. E. Harris (Minister of Finance): Well, Mr. Speaker, I am not sure I really understand the question.

Mr. Fleming: Do you understand the statement you made?

Mr. Harris: If my hon. friend reads my speech I am sure he will find I was referring directly to the speech made by the hon. member for Esquimalt-Saanich (Mr. Pearkes) and without going into—

Mr. Macdonnell: And the hon. member for Burnaby-Coquitlam (Mr. Regier).

Mr. Harris: I must say upon reading my own speech, which I regret I had to do, I found I had involved the hon. member for Burnaby-Coquitlam who, so far as I know, had not made any proposals. At any rate I did not intend to include him in that. I was referring to the hon. member for Esquimalt-Saanich. My statement may have been somewhat rhetorical but the purpose of it undoubtedly was to indicate, as the rest of my speech also showed, that if there were profits to be made out of the sale of natural gas we would participate in those profits and the corporation income tax and the revenue of Canada would be greatly increased.

Mr. Macdonnell: The minister has really answered my supplementary question because I was going to ask him if it was not wholly rhetorical and I think he has pretty well admitted that it was. In other words, there was no figure in his mind.

Mr. G. R. Pearkes (Esquimalt-Saanich): Mr. Speaker, on a question of privilege, I would like to take the opportunity to thank the Minister of Finance for his concern regarding the welfare of my soul.

ROYAL CANADIAN AIR FORCE

INSTALLATION OF SAFETY FEATURES IN MILITARY AIRCRAFT

On the orders of the day:

Mr. John B. Hamilton (York West): Mr. Speaker, I would like to direct a question to the Minister of National Defence. Would the minister comment on the report that we are lagging behind in the installation of special safety features in our military aircraft for the protection of our pilots?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I have not seen the statement to which the hon. member refers but I am assured by our Royal Canadian Air Force officials that every proper precaution is being taken, every known new device is being studied and that our safety measures are certainly equal to if not better than those of most other countries.

Mr. Hamilton (York West): May I ask a supplementary question, Mr. Speaker. Would the minister check the report, because it was made by a test pilot of the Royal Canadian Air Force.

Inquiries of the Ministry

Mr. Campney: If the hon. member will give me the reference to the report or a copy of it I will certainly look into it.

IRRIGATION

SOUTH SASKATCHEWAN RIVER—REQUEST FOR FEDERAL ASSISTANCE IN BUILDING DAM

On the orders of the day:

Mr. M. J. Coldwell (Rosetown-Biggar): I should like to ask a question of the Minister of Finance. In view of the obvious anxiety to lend $80 million to a United States corporation, may I ask the minister when similar anxiety is going to be shown for making an appropriation to enable the building of the South Saskatchewan river dam?

Hon. W. E. Harris (Minister of Finance): I understand that Trans-Canada Pipe Lines is a Canadian corporation.

Mr. Coldwell: May I ask a supplementary question? When may we expect similar anxiety on the part of the government to make an appropriation for the South Saskatchewan river dam?

Mr. McCann: Everything for Saskatchewan.

Mr. Harris: I thought I made it clear in whatever remarks I tried to make the other night that the policy of this government has in mind the welfare of all parts of Canada, and from time to time we shall announce the appropriate policy.

NATIONAL CAPITAL PLAN

GREEN BELT, OTTAWA—PURCHASE OF FARM LAND BY COMMISSION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, speaking as the member for Carleton, may I ask the Prime Minister if he will take appropriate steps to ensure that the federal district commission will pay a fair price for the developed value of farm lands in Carleton county which have been approved as part of the green belt around Ottawa?

Right Hon. L. S. St. Laurent (Prime Minister): There has been no decision made by the government to acquire the lands included in the green belt.

HER MAJESTY THE QUEEN

PROCEDURE FOLLOWED IN ARRANGING VISITS TO FOREIGN COUNTRIES

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, arising out of the question asked earlier as to whether Her Majesty the Queen

might visit Canada, and in view of considerable conjecture in the press that Her Majesty may be contemplating a state visit to a foreign country in Europe, would the Prime Minister or the Secretary of State for External Affairs say what is the position under present constitutional practice? Does Her Majesty under those circumstances, as head of the commonwealth, consult with and receive the advice of her prime ministers or her ministers in other parts of the commonwealth, and their consent, before such a visit can take place?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, the practice has been for Her Majesty to have this government informed when she has accepted an invitation to make a state visit to a foreign country. That was done on the occasion of the visit to Norway last year, and we were informed as early as the end of last August that Her Majesty was accepting an invitation to make a state visit to Sweden this summer. It has never been the practice for the government of Canada to be consulted with respect to invitations that we presume were extended to Her Majesty through the channels of the United Kingdom government. We have been informed that the acceptance of these invitations had been made, but it has never been suggested that we should take the responsibility of advice to Her Majesty when she accepts an invitation as the sovereign of the United Kingdom. We have never felt that we should consult the governments of other countries when an invitation is being considered by His Excellency the Governor General as the representative of the head of the Canadian nation to visit a foreign country. In respect of those visits of Her Majesty it has not been the practice to regard them as visits being made on behalf of the commonwealth but rather as visits made by the sovereign of the state through the government of which the invitation was conveyed to Her Majesty.

Mr. Diefenbaker: Mr. Speaker, this is very interesting. Is the Queen in a position therefore that she can make a visit to this foreign country as Queen of the United Kingdom and not in her position as Queen of Canada or one of the other several parts of the commonwealth? Has that matter been considered or is it a matter, having regard to the suggested visit, that is worthy of consideration at the prime ministers' conference?

Mr. St. Laurent (Quebec East): It might be worthy of consideration at the prime ministers' conference but so far state visits to foreign countries made by Her Majesty, in the same way as those that were made by her illustrious predecessors, have always been regarded as visits made in the capacity of sovereign of the United Kingdom.

PARLIAMENT HILL

SUGGESTED USES FOR TEMPORARY SCAFFOLDING

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Minister of Public Works. Has the government decided to change the purpose for which the scaffolding is being erected in front of the parliament buildings to that of public observation of the execution of parliament?

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, I can think of one good application for that scaffolding for a certain purpose.

ALLEGED DANGER TO PUBLIC OF UNGUARDED PLATFORM

On the orders of the day:

Mr. Donald M. Fleming (Eglinton): My question is to the Minister of Public Works and arises in part only out of the answer he gave to the question put to him a moment ago. Is the statement he made the reason why the scaffolding in front of the building was left unguarded last night, and is he aware that, for lack of guarding, there are places there where there is a 10-foot sheer drop off the edges of the platform that pedestrians are using in lieu of the steps? Will he take steps to see that it is not left in an unguarded condition tonight?

Hon. Robert H. Winters (Minister of Public Works): To the best of my knowledge there are guards on duty around the House of Commons at all times.

Mr. Fleming: The minister has missed my point. I am speaking of the erection of the platform outside. Is he aware that there were sheer drops off the unguarded edges of that platform last night?

An hon. Member: Who drafted that one?

Mr. Fleming: Is he aware that, with the platform being unguarded and pedestrians still using the platform and the temporary wooden steps instead of the regular steps, there were drops of 10 feet off the edges of the unguarded platform where any pedestrian might have met with a severe accident? Will he take steps to see that the edges are properly barricaded tonight?

AGRICULTURE

INQUIRY AS TO DEVELOPMENTS IN CHRYSANTHEMUM CULTURE

On the orders of the day:

Mr. G. R. Pearkes (Esquimalt-Saanich): I should like to direct a question to the parliamentary assistant to the Minister of Agriculture. Can the parliamentary assistant inform the house as to the results of the experiments that have been conducted at the experimental station at Saanichton, B.C., and which have received widespread press coverage today, involving developments in chrysanthemum culture?

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): I am not able to make a report on that today but the first of the week I will.

ROYAL CANADIAN MOUNTED POLICE

INQUIRY AS TO INTRODUCTION OF AMENDMENTS TO ACT

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): Mr. Speaker, I should like to ask the Minister of Justice if he can tell us when it is proposed to introduce the revisions of the Royal Canadian Mounted Police Act which were forecast in the speech from the throne?

Hon. Stuart S. Garson (Minister of Justice): The answer to my hon. friend's question is that they will be introduced in the fairly near future.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—REMOVAL OF LIQUOR RESTRICTIONS IN MANITOBA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to address a question to the Minister of Citizenship and Immigration. In view of the reported request of the attorney general of Manitoba, is the minister considering making a proclamation under the Indian Act to allow Indians in Manitoba to drink liquor?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): That matter is under consideration and the consideration is almost completed.

PUBLIC SERVICE

DEFENCE RESEARCH BOARD—INCREASE IN WORK WEEK OF SECURITY GUARDS

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of National Defence. Has the minister had an opportunity yet to inquire into the question I asked yesterday with reference to the increase in the work week of security guards?

Hon. R. O. Campney (Minister of National Defence): Yes, Mr. Speaker, I have made inquiry but I have not yet received a report.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR MEETING TO PROVIDE AID TO MUNICIPALITIES

On the orders of the day:

Mr. John Pallett (Peel): I should like to direct a question to the Prime Minister. As municipal tax bills are now being issued and and it is very evident that there will be increases this year, would the Prime Minister not reconsider his previous answer with respect to calling a dominion-provincial conference so that some direct aid may be given to municipal taxpayers?

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker, I do not think it would be appropriate to call another dominion-provincial conference for the purpose of suggesting that aid be given to the municipalities.

Mr. Lennard: That is a good answer.

TRANSPORT

QUEBEC PROVINCIAL ELECTION—USE OF PRIVATE RAILWAY CARS

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I should like to address a question to the Minister of Transport. Would the minister take steps to see that members of the government travelling to Quebec to participate in the provincial election campaign there do not continue to use private railway cars of the government for the purpose?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I do not know that they have been used for that purpose and I think that the matter can be left to the discretion of my colleagues.

Some hon. Members: No.

Mr. Drew: Oh, no.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Thursday, May 24, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe

Line Crown Corporation—Mr. Howe (Port Arthur)—Mr. Robinson (Simcoe East) in the chair.

The Chairman: When the house adjourned last night clause 3 of the bill was before the committee and Mr. Howe (Port Arthur) had moved a motion that the further consideration of this clause be postponed. Mr. Knowles had raised a point of order. I note from *Hansard* that Mr. Fleming was on his feet exactly at ten o'clock. Mr. Knowles had indicated that he wished to proceed. I recognize Mr. Knowles on the point of order.

On clause 3—*Establishment and constitution.*

Mr. Knowles: Mr. Chairman, as hon. members will recall, last night I argued that the motion proposed by the Minister of Trade and Commerce is out of order on at least two counts, to which I added a third one. I will not take the time of the house to repeat the arguments, but may I just summarize them. First of all, I insist that it is out of order on the basis of standing order 78 (1) which requires that we consider bills in committee of the whole according to the proper order of their clauses. Since this is a new day and as some people who did not see yesterday's *Hansard* might see today's *Hansard*, perhaps there should be put on the record the terms of standing order 78 (1) which are as follows:

> 78. (1) In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

Mr. McIvor: Repetition.

The Chairman: Order.

Mr. Knowles: Mr. Chairman, I will not repeat the arguments which I made last evening calling for strict adherence to the rules except to say this. A friend who heard last evening's debate asked me later if my quotation from Hatsell meant that the rules of the house were meant only for the protection of the opposition. I was glad to have that question because it gives me the chance to give here the answer which I gave to the person who put that question to me last night. The quotation from Hatsell which is included in Beauchesne's third edition at citation 818, though in the language of a century and a half ago, makes this point crystal clear. The government has two protections. It has its majority and it has the rules. The opposition has only the rules. That is the reason that we are obliged to place special emphasis on strict adherence to the rules. That is the reason for the tremendous weight of the responsibility that rests upon the occupant of the chair in seeing to it that the one and only weapon available to the opposition is not lost to it. Therefore, Mr. Chairman, I am insisting on a strict interpretation of the wording of standing order 78 (1) which requires that clauses be taken up in their proper order.

I am also insisting on strict adherence to the sentence which appears at the top of page 537 of May's fifteenth edition. I am ready to admit, Mr. Chairman, that there are occasions when I point out that May is an English authority and that there are many portions of May which are not applicable to the Canadian situation. However, Mr. Chairman, yesterday in one of the rulings that you made as chairman of the committee of the whole house, you relied on May. You relied on May not only in your statements to us during the argument on the point of order but you included your reliance on May in your report to Mr. Speaker. Therefore, for purposes of this point of order, I suggest that you are obliged to give full weight to what May says at the top of page 537—it is his fifteenth edition that I have in my hand—which is as follows:

> A proposal to postpone the only effective clause of a bill until the subordinate clauses have been considered, or to postpone part of a clause, is out of order.

I think the point is quite understandable to all that this clause 3 which sets up the Northern Ontario Pipe Line Crown Corporation is the operative clause. Without this clause there is no bill. Without this clause there is no point in discussing anything else. I therefore submit that to postpone consideration of that clause is—as May, your own authority, says—out of order. If it is not clear enough from the language of May, surely it is clear on the basis of common sense that we cannot go on and discuss lending money to a corporation that we have not set up; that we cannot go on and discuss giving power to such a corporation; or go on and discuss any of the other things that are contained in the clauses that follow which are subordinate to and contingent upon clause 3 of the bill.

I also suggested last night—and I was in the midst of this part of my argument when we reached ten o'clock—that it is well established, and that it is often declared to us by no less a person than the Minister of Finance, that we must not try to do indirectly what we cannot do directly. It is my contention, Mr. Chairman, that this motion is not what it purports to be. This motion is an attempt to lay the basis for closure, and on that basis it should not be entertained at this time. Not only is it an attempt to lay

the basis for closure, Mr. Chairman; it is in effect closure itself so far as present discussion on this clause is concerned.

In that connection, Mr. Chairman, may I give to my hon. friends opposite one more brief quotation from a person whose memory I believe they still revere. I refer to Sir Wilfrid Laurier. In 1913 Sir Wilfrid Laurier stood in the House of Commons—not in this chamber, of course; it was in the one in the building that was destroyed by fire—on this, the opposition side, and said this:

> Heaven is my witness that I would rather stand here today defeated and in opposition by that appeal to the people than stand over there in office by the power of the gag.

Mr. Chairman, lest anyone think that I am taking these words out of context I shall read a few sentences that are prior to the one that I have just read. This was in 1913 when the Conservative government of that day had brought in the closure rule. Incidentally, I may say that there had been 22 days of debate on one clause when Sir Robert Borden moved closure. I am not defending Sir Robert Borden but at least there is quite a difference between that situation and what obtains now. My friend the hon. member for Digby-Annapolis-Kings has put it well. He says that a period of 22 days is quite different from 22 seconds. In the course of that debate this is what Sir Wilfrid Laurier said and I think it is appropriate not only to what is happening here just now but also to some other questions that have been put to the Prime Minister as recently as this morning. Again this is that great Liberal who could call heaven as his witness—the Liberals cannot do that any more—speaking in the House of Commons in 1913:

> We introduced the reciprocity measure on the 26th of January and on the 28th of July we had not yet been able to obtain even a preliminary vote upon it.

What is that, six months? Yes, a little more than six months.

> We had been met at every step by obstruction from the Conservatives, then in opposition; dilatory motions of every kind were made,—

Mr. Sinclair: They have not changed.

Mr. Knowles: I invite the Minister of Fisheries to keep on making these interjections if he wishes but I suggest that if he does not know the whole quotation he would be wise to hold his peace.

> —speech after speech was delivered day in and day out, even in the dog days of summer.

Listen to what Sir Wilfrid Laurier says.

> I did not complain; I did not whine. Two courses were open to me. I could have done as is done today by the Prime Minister;

That is a reference to Sir Robert Borden.

> I could have introduced the closure and have said that we must carry on the business of the government and that, consistently with our dignity, we could not allow obstruction.

Sir Wilfrid Laurier knew he could do that; he knew he could do what his political descendant the present hon. member for Quebec East is prepared to support. I continue this quotation from Sir Wilfrid Laurier.

> But there was another course open to me, and that was an appeal to the people; and I advised my colleagues to give the hon. gentlemen of the opposition the opportunity of appealing to the people. We appealed to the people and we were defeated. Heaven is my witness that I would rather stand here today defeated and in opposition by that appeal to the people than stand over there in office by the power of the gag.

Mr. Rowe: They are afraid of an election.

Mr. Knowles: How the Liberals have changed. Sir Wilfrid Laurier had the patience to listen to a debate for six months and still he did not impose closure. Now, it is closure on the first speech on the resolution. Now, when we get into committee of the whole it is closure on each clause as we go along. I insist that this motion is not what it purports to be, just an innocent proposal to move on. It is, in fact, dishonest in that sense. It is laying the basis for closure, and I submit that Your Honour should not entertain such a motion in this place which we regard as a democratic assembly.

Therefore, Mr. Chairman, for these three reasons, because of the clear-cut language of standing order 78 (1), which I insist is a rule of this house which under the rule of law must be obeyed; secondly, because of the clear-cut language on page 537 of May which you, sir, have held up to us as an authority, and in the third place because of the insistence we are entitled to make that the government should not try to do indirectly what it cannot do directly, I call upon you to tell the Minister of Trade and Commerce that his present motion is out of order.

The Chairman: Order. Do I understand the minister and the hon. member for Eglinton are rising on the same point of order?

Mr. Harris: Yes, Mr. Chairman.

Mr. Fleming: I wish to speak to the same point of order as that to which I indicated last night I wished to speak.

The Chairman: May I take this opportunity of bringing this matter to the attention of the committee. I gather, from the remarks made by the hon. member for Eglinton, that he and I do not see eye to eye on this particular point. Now, we cannot have two

points of order before the committee at the same time; I think that is agreed. We are now dealing with a point of order raised by the hon. member for Winnipeg North Centre. I feel that I am bound by the provisions of standing order 34 which says:

Mr. Speaker may permit debate on the point of order—

I draw hon. members' attention to the word "may".

—before giving his decision, but such debate must be strictly relevant to the point of order taken.

Now, I feel from interchanges which have taken place between the hon. member for Eglinton and myself that he does not agree with my understanding of my position, in that once an hon. member has raised a point of order if I feel that I need assistance in deciding it I can hear other members who wish to speak to the point.

Mr. Coldwell: No, no.

The Chairman: Order; may I conclude my remarks?

Mr. Coldwell: May I say I think you are entirely wrong?

The Chairman: Yes.

Mr. Coldwell: I think that what you have quoted does not give you the right not to see a member who rises.

The Chairman: May I finish? I should like to get this cleared up. I am asking assistance, and that is my interpretation of my position. The hon. member has raised a point of order and I think there is a citation somewhere—I can look it up later—which says these points of order must be decided immediately. I think it is standing order 34 which allows me to permit debate from hon. members if I need assistance in deciding a point of order. I have felt it is the duty of the chair to decide whether the chair needs that assistance. I know the hon. member disagrees with that view, and I now find that I think the hon. member for Rosetown-Biggar disagrees with that view. However, we cannot get rid of the question at this time. I intend to see the hon. member for Eglinton, and I intend to see the minister—

Mr. Rowe: Why?

The Chairman: —as they both say they wish to speak on this point of order. I wish to obtain their views on it, but I wish later hon. members would raise, if they wish, another point of order if they disagree with me that it is permissive that this is being done. I wish they would raise it so that could be settled. Some hon. members seem to disagree with my view and I think if they disagree they may speak to me on the point and we can have that point of order decided later.

Mr. Macdonnell: I wish to be heard on that.

The Chairman: We cannot do that at this point. I will hear the hon. member for Eglinton on the point of order raised by the hon. member for Winnipeg North Centre.

Mr. Fleming: It is on the same point I wish to address you, but you seem to anticipate what I am going to say to you and I do not know how you can do that because I have not said a word on the point of order now raised by the hon. member for Winnipeg North Centre, and that is the one about which I wish to speak. You have invited hon. members to make their submissions to you in regard to the question whether hon. members could be heard on a point of order raised by another hon. member.

The Chairman: I wonder if I might make this clear to the hon. member for Eglinton at this time. I consider it is my decision to allow debate, and as I say I consider it is permissive in me, as Chairman, to allow debate if I feel I need further assistance in properly deciding a point of order. Now, if the hon. member wishes to speak in support of that, then that is one thing, but the hon. member for Winnipeg North Centre has raised the point of order and I say, by permission of the chair, I should like to hear the hon. member's remarks. If he wishes to raise a point that he has a right to do so rather than that he is doing so by permission, I wonder if he would kindly leave that until after we have disposed of the present point of order and then I would be very glad to receive direction on that very point.

Mr. Fleming: Thank you, Mr. Chairman. I may have misunderstood your earlier remarks. I say then I shall be happy to reserve anything I might have said to you on the point of order as to whether you should hear hon. members.

The Chairman: I would appreciate that very much because I may be under a misapprehension on the matter, but I should like to have the assistance of hon. members in order that we may all know our position. The Minister of Finance.

Mr. Fleming: Wait a minute, sir.

The Chairman: I understood you were reserving your remarks.

Mr. Fleming: No. I said, if you note my last remarks, that I have reserved what I might

wish to say to you on the point you have raised as to whether other members should be heard by the Chair.

The Chairman: The hon. member now wishes to talk on the point of order of the hon. member for Winnipeg North Centre?

Mr. Fulton: That is what he first got up for.

Mr. Fleming: That is what I rose to my feet for, sir, and that is the purpose I declared last night at the moment of adjournment, as you recognized this morning.

Mr. Chairman, I wish to give full support to the point of order raised by the hon. member for Winnipeg North Centre for the reasons he gave and for additional ones as well, because the point can be fully supported on the grounds that he put forward, and in my respectful submission it can be supported on additional grounds also.

We cannot get away from the provisions of rule 78. They have been referred to several times but we must begin with them on this point. Clause 1 reads:

> In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

It is only natural, Mr. Chairman, that you should look around for precedents, and no doubt you have in your mind what occurred here yesterday. I think I should begin with some observations on that subject. In the first place, I submit to you that there is no precedent open to you in this respect to justify the course that the government is seeking to follow here except what occurred yesterday. There are no earlier precedents. Indeed, the precedents are all to the contrary. If the government is to be supported in this present motion to postpone consideration of clause 3 of the bill, then precedents for it cannot be found outside of yesterday's proceedings in this house.

I draw your attention, sir, to the submissions you have already heard—I do not take the time of the committee to repeat them—that the provisions of rule 78 must be given very strict interpretation. I simply recall to your mind what was said on that point yesterday by the Leader of the Opposition and what has already been said on the point by the hon. member for Winnipeg North Centre.

All that has been heard in debate on the bill so far in the committee has been a succession of three statements made by the Minister of Trade and Commerce in each case moving a similar motion. I draw your attention to what was said in each case. I will do it as briefly as I can because I am now coming to the question as to whether what is now being done is a consideration of a clause under the provisions of standing order 78. In that regard, I think you have a very good guide in what was said by the minister in each case. At page 4283 of yesterday's *Hansard* the minister said, in introducing the same motion in respect to clause 1:

> Mr. Chairman, clause 1 is the short title clause, stating that the act may be cited as the Northern Ontario Pipe Line Crown Corporation Act. It is purely a formal clause and since we have had some six days of general discussion and a few days more of procedural discussion I move:
>
> "That further consideration of this clause be postponed".

Mr. Chairman, the minister was not pretending that that was consideration. The whole pith and substance of that very brief statement was that consideration is not necessary because it is a purely formal clause. Now, in the face of that, surely, when the minister, as the speaker recognized, and the only speaker recognized by the chair on the clause, stands up and says that there is no consideration required of this because it is a formal clause, no one in this committee can then pretend, let alone seriously argue, that there has been consideration of the clause.

Then, let us move forward and recall what the minister said in introducing the same motion with respect to clause 2. It is to be found on page 4293 of *Hansard,* and reads as follows:

> Mr. Howe (Port Arthur): Mr. Chairman, clause 2 is the interpretation clause and is standard in form. It gives definition of the "board"; "corporation"; what a director means; what the minister means; the northern Ontario section; "Trans-Canada" as the abbreviation of "Trans-Canada Pipe Lines Limited"; and the definition of "western section".
>
> I move:
>
> "That further consideration of this clause be postponed.

What the minister was saying to you there, sir, was that there is no occasion for consideration of this clause because it is a purely standard clause, just a clause of definition, a standard clause that does not require consideration. Such was his submission. In the face of that, does anyone pretend, in the light of the course then taken by the government in moving the motion that the consideration of the clause be postponed, that there had been consideration? It is perfectly clear, sir, from what the minister said himself, he was arguing before you that consideration was not necessary.

Then, the last reference, Mr. Chairman, is to what the minister said in introducing the

motion which is now before you. At page 4311 of *Hansard* he said:

> Mr. Chairman, section 3 establishes a crown corporation in the form usual for crown corporations appointed by the federal government. The president and the four directors are appointed. The head office of the corporation shall be in the city of Ottawa. The directors receive no salaries but are allowed their living expenses and the usual provisions are made for civil servants who may be employed entirely by the corporation.
>
> Mr. Chairman, I move that further consideration of this clause be postponed.

Again, sir, the whole pith and substance of the minister's statement was that this was just the usual form of clause in reference to crown corporations. He contended no consideration is necessary; therefore he moved that consideration be postponed. Now, Mr. Chairman, in the face of those statements whose aim and purpose are crystal clear, it is not going to be pretended, I am sure, by any hon. member that consideration has been given to the clause when the minister was saying throughout, in effect, consideration is not necessary; therefore, because it is not necessary he moved that consideration be postponed.

My submission to you is this, sir. The statement by the minister, which is all we have, is not consideration by the committee within the terms of standing order 78, clause 1. Indeed, it could not even be pretended that it is consideration by the minister, let alone by the committee of the whole.

Mr. Chairman, if you say that what occurred yesterday has established a precedent to dispose of that point I will take respectful issue with that view and say to you that what occurred yesterday, in my submission, is not a binding precedent; it is certainly not a contrary precedent. However, Mr. Chairman, if you do hold that there was a precedent created yesterday which precludes you from giving the interpretation to standing order 78, clause 1, in the light of the facts, that I am asking you to put upon that clause, then I move forward to the next submission.

I say to you, sir, that on a proper consideration of clause 3 of the bill now before us, that clause cannot be considered apart from the consideration of clauses 1 and 2 which the committee has now been precluded from considering by reason of the two motions of the government. We are being asked to say that further consideration of this clause be postponed. I submit to you that clause 3 has not been considered. I go farther and I say that clause 3 cannot be considered in accordance with any sensible interpretation of the word "considered" in the light of the action taken by the committee already in passing the government's motions to postpone consideration of clauses 1 and 2.

Now, Mr. Chairman, if you will look at the bill itself you will see that an understanding of clause 3 of the bill is impossible without reference to clauses 1 and 2. Clause 3 of the bill is a clause—perhaps it might be called the heart of the whole bill—by which there is created a crown corporation to be known as the Northern Ontario Pipe Line Crown Corporation. The clause goes on to deal with the appointment of directors, their tenure of office and removal, the delegation of their powers to the president or general manager, the making of by-laws, location of the head office and directors' meetings, the payment of expenses, the appointment of a general manager, the employment of officers and servants and retirement from employment by the corporation.

Now, sir, I defy any member of this house to attempt consideration, within the meaning of the term as used in our standing order 78, of clause 3 apart from references to the two preceding clauses of the bill. When standing order 78 speaks about consideration it surely means sensible, intelligent, competent consideration. It does not mean wrenching a provision out of all context in the bill and trying to shut one's eyes to the meaning including essential definitions attached to terms in the section and other provisions of the bill. Therefore I say, sir, that the committee cannot, as matters now stand, give consideration to the provisions of clause 3 within the meaning of standing order 78 without reference to and consideration of clauses 1 and 2; and that is precluded.

I go further on my next point, sir, and say that the process grows as we proceed with the bill. We are at clause 3. The government wants to postpone consideration of clause 3 and to prevent any discussion of it whatever because you ruled yesterday that this motion is not debatable. Well, sir, we know what is going to happen. If consideration of clause 3 is postponed, then when we come to clause 4 the same thing is going to be attempted again by the government. I point out to you, and I think you must consider what has now become a settled course of action on the part of the government in the light of an unfolding pattern before our eyes of government purpose with respect to this bill in committee, that you have to look further and see what is going to be the effect of this motion upon the proceedings that are to follow.

This motion with respect to clause 3 of the bill would defeat any attempt at consideration of the subsequent clauses of the bill because, sir, this is the clause that sets up the corporation which was the original sole purpose of the legislation as indicated in the original

resolution placed on the order paper by the government some months ago.

Now, sir, look at the other clauses, clauses 4, 5, 6 and 7 of the bill. They could not possibly be considered apart from clause 3. If this motion is now adopted, I submit to you that this house is not in a position to give consideration to clauses 4, 5, 6 or 7 within the terms of standing order 78.

I do not intend to dwell on the point, sir, but just look at clause 4 for a moment. It refers to a corporation. That is the corporation in clause 3. In clause 4 it is referred to as a body corporate having capacity to contract and to sue and be sued in the name of the corporation. And then it proceeds to deal with the status of the corporation as an agent of Her Majesty to deal with the holding of the property by the corporation, and so on. Then we come to clause 5 of the bill which establishes the purposes and powers of the corporation. What corporation? The corporation created by clause 3 of the bill, and yet the committee is being asked to say that clause 3 shall not be considered.

Go further, sir, and come to clause 6 of the bill. Again you have a provision that the corporation may borrow money from Her Majesty and certain provisions are contained therein in reference to the making of any such loans. What corporation, sir? It is the corporation created under clause 3 of the bill, and we are being asked now to pass over that clause without any consideration. How can it be said then that consideration could possibly be given to clause 6 within the meaning of standing order 78 if this motion is now accepted by you?

Finally we come to clause 7 of the bill which provides—and I am hurrying over this, Mr. Chairman—that:

> Pursuant to an agreement in that behalf made, with the approval of the governor in council, . . .

—between Her Majesty and Trans-Canada, the corporation may on behalf of Her Majesty make short-term loans to Trans-Canada. What corporation? It is the corporation created under clause 3 of the bill. How can it be pretended that the committee will be in a position to give consideration to clause 7 of the bill within the terms of standing order 78 in the light of the motion now proposed?

I submit to you, sir, that if you were to entertain this motion you would be in effect accepting a course of action by which the committee will preclude and disable itself from carrying out the duty laid upon it by standing order 78 with respect to clause 4, with respect to clause 5, with respect to clause 6 and with respect to clause 7. I submit that a motion so absurd on its face as that cannot be in order. A motion that would in itself defeat the application of standing order 78 and preclude the committee from discharging the plain duty laid upon it by standing order 78 cannot be in order.

I will not dwell further, Mr. Chairman, on the point that this motion would achieve a highly ludicrous result. It goes further, sir. If you receive this motion it will defeat the rules and I think it is quite obvious, sir, that that is so intended by the government. The pattern has emerged. In reaching your conclusion on this point of order in the light of the submission to you made by the hon. member for Winnipeg North Centre and in the light of what I am trying to submit respectfully to you now, I urge upon you that you cannot close your eyes to what happened yesterday. You cannot close your eyes to the clear pattern of action revealed yesterday in the succession of motions introduced by the Minister of Trade and Commerce. The pattern is clear and you have to look at that course of action with respect to the other two clauses and with respect to its application to the succeeding clauses of the bill because we know that is the government's intention. The conclusion is inescapable that this course of action of the government prevents, and is intended to prevent consideration of anything in the bill. It would tear the rules; it would tear our parliamentary safeguards to shreds and tatters.

Now, sir, I said that you cannot close your eyes to clause 3 in reaching your conclusion as to whether you may accept this motion, and you cannot close your eyes to what happened yesterday or what it is the government's intention to do with respect to later clauses. Here I come to another point, sir. All this flows logically, indeed sir it flows inevitably, from your recognition of the minister on this clause.

I wish now, sir, to turn to two of the citations which were dealt with in part by the hon. member for Winnipeg North Centre and to develop my own particular submission on them. The essence of our parliamentary institutions surely rests upon the maintenance of the rights of all in this house as defined by the rules. You have had an abundance of citations as to the essential part, indeed the vital role, played by the rules and their maintenance in their full integrity in the preservation of the essence of parliament. It is not just a matter of the dry bones of procedural questions. Here we are dealing with matters that go to the very heart and vitals of our parliamentary institutions.

Now, sir, let me turn to the famous citation No. 1 in the third edition of Beauchesne in which Bourinot is quoted as stating:

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The principles that lie at the basis of English parliamentary law, as Bourinot so aptly says, are: "to protect a minority and restrain the improvidence or tyranny of a majority; to secure the transaction of public business in an orderly manner; to enable every member to express his opinion within limits necessary to preserve decorum and prevent an unnecessary waste of time; to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse."

Sir, you have been invited, and I invite you now, to give full weight to that unchallenged statement, binding upon you, binding upon anyone who sits in the place where you sit today and bears the important responsibility that rests upon you. I submit to you that the clear pattern of government action in this succession of motions will inevitably —indeed, it is designed to—defeat any possibility of permitting the committee to give consideration to this measure, let alone the abundant consideration that Bourinot says is the hallmark of English parliamentary law.

An hon. Member: Borneo.

Mr. Fleming: I hear Liberals in this house making jest of Bourinot and referring to him now as Borneo. Mr. Chairman, the authority of Bourinot as the first Canadian master of parliamentary procedure and understanding of the essence of our parliamentary institutions is beyond challenge by any member of this house.

There is the question of the protection of minorities in this house. I am going to have something to say about the wider context of this expression in a moment, but let us bear in mind what Bourinot said about the protection of a minority. I ask you, sir, where is there any pretense of protection of the right of any minority in this house, or any minority represented by anybody in this house, or indeed by all the house, if the only person to be seen on every clause is the Minister of Trade and Commerce, when everybody in the house knows full well that his purpose is to get up and introduce motions, the whole purport and intent of which are to prevent any consideration and to prevent any other hon. member of this house from even so much as offering one word of comment on the substance of such a motion? This comes about because, three times in a row, on clause 1, then on clause 2 and then on clause 3, you chose to recognize the Minister of Trade and Commerce.

Mr. Diefenbaker: More than coincidence.

Mr. Fleming: You justified your course by reliance upon citations in the third edition of Beauchesne, Nos. 212, 213 and 214. I wish to make a comment and submission to you upon those citations, because it seems to me that they go to the very essence of the point we are considering now, namely, the proper understanding of what is meant by interpretation of standing order 78. Citation 212 says:

There should not be a list of Speakers with an order of precedence in the House of Commons. Any member who wishes to speak may rise and endeavour to catch the Speaker's eye. He who is first seen has the right to speak. By old parliamentary usage, a member who wishes to make—

And so on.

213. It is a paramount principle that "no member may speak except when there is a question before the house". The only exceptions to this principle are the following: questions put before the commencement—

The Chairman: I am sorry to interrupt the hon. member, but I am in some doubt here as to the relevancy to the present point of order. The hon. member will recall that I recognized the Minister of Trade and Commerce on three occasions. In each case the motion was made that another hon. member be now heard, and on the vote of the committee those motions were negatived. I am in doubt as to whether the hon. member is not transgressing the rule.

Mr. Fleming: I realize I may not go back and open up the discussion on that motion but I am accepting the fact that now, three times in a row, the minister has been seen and given the floor. I am pointing out to you the consequences that follow from that and their bearing upon the proper interpretation of standing order 78. I am saying to you, in effect, Mr. Chairman, that you have to have in mind what has occurred, and also the fact that we have a clear pattern established, now we know that this is going to be attempted to be repeated when we come to the next clause. The minister will be on his feet and we shall have the same performance of the minister trying to get consideration of the motion, that is, that the clause be postponed.

You said yesterday, in reference to these citations, as recorded on page 4302 of *Hansard*:

There is a custom or usage also that when a minister of the crown rises at certain times he is given a certain priority.

Then you went on to say:

Citation 214 reads:

"The succession of speakers is left entirely to the Speaker."

Now, sir, if you hold the view that the minister is entitled to be called upon on every clause of this bill as the first speaker, and we know that he is going to move that the consideration be precluded by the kind of motion he has brought in now on three occasions, I say to you that you cannot dismiss

from your mind the fact that this is the settled course of action in this chamber and that is the course of action that is going to follow if you receive this motion and not rule it out, as I am submitting to you that you ought to do.

I had understood that, whilst there are certain special courtesies extended to ministers of the crown, equal courtesy was extended, by well-established usage of this house, to the Leader of the Opposition. That, I understood, was a fact in this house, an unquestionable convention, but if you, sir, do not recognize that, then I say to you that that buttresses and strengthens the submission I am making to you now with reference to the proper interpretation of standing order 78.

I said a word earlier on the subject of precedents. The question was put to the Prime Minister this morning on the orders of the day as to whether he could point to a precedent in any commonwealth parliament for what the government was endeavouring to do here in following this settled course of action with a view to gagging the committee of the whole on each of these clauses as it is reached. The Prime Minister, in his response to that question, lightly dismissed it and indicated in effect that the government is not interested in any precedent from any other commonwealth parliament. All I have to say, in a word, on that remark of the Prime Minister is that he should be ashamed of what he is saying.

Some hon. Members: Oh.

The Chairman: Order. I am sorry to interrupt the hon. member, but I am obliged to advise him that his time has expired.

Mr. Fleming: There is no time limit on points of order.

The Chairman: There is a time limit in committee.

Mr. Fleming: Not on a point of order.

An hon. Member: Filibustering your own point of order now.

Mr. Fleming: Mr. Chairman, this has never been done before on a point of order in committee.

Mr. McCann: Nobody ever talked so long.

The Chairman: Standing order 59(3) reads:

> No member, except the Prime Minister and the Leader of the Opposition, shall speak for more than thirty minutes at a time in any committee of the whole house.

Mr. Fleming: I submit to you, Mr. Chairman, that has never been applied on a point of order.

Mr. Sinclair: Because nobody ever spoke for 30 minutes.

The Chairman: I agree with the hon. member, and may I also say that we are now dealing with the point of order raised by the hon. member for Winnipeg North Centre. I point out that in my view I have permitted the hon. member to express his views, and I think I have heard enough to enable me to decide the point. When the hon. member rose the Minister of Finance also rose, and I propose to hear what the Minister of Finance has to say about this same point of order.

Mr. Harris: Mr. Chairman—

Mr. Fleming: Mr. Chairman, are you ruling that a member speaking to a point of order—

Mr. Sinclair: In committee.

Mr. Fleming: —in committee is limited to 30 minutes?

The Chairman: I am so ruling.

Mr. Fleming: Then, with respect, I must appeal your ruling.

The Chairman: Just one minute. We cannot have a point of order on a point of order. May I draw the attention of hon. members to Beauchesne, third edition, citation 110, the very last sentence of which reads as follows:

> A point of order cannot be raised on a point of order.

The hon. member for Rosetown-Biggar indicated earlier this morning that he disagreed with my view as to my functions on the point of order raised originally by a member. The hon. member for Eglinton also disagrees with that and he disagrees on this point. Once the point of order of the hon. member for Winnipeg North Centre has been disposed of, I am going to give an opportunity to deal with that, as I said earlier, but at the present time I must recognize the Minister of Finance on the point of order of the member for Winnipeg North Centre.

Mr. Harris: Mr. Chairman, I will be very brief. I will not take half an hour, but let me answer the points made by both hon. members who have spoken on this point of order. I begin by saying what I would have said last night had I been permitted to do so at the time. The hon. member for Winnipeg North Centre has used the word "dishonest" this morning in connection with the proceedings that we now have before the house, and at one time during the course of his remarks he said something like this: It would appear that in working out that plan the government has come to the realization that it might not be able to achieve closure on time because some of the clauses would not have been considered at all.

Ever since the hon. member for Prince Albert made a broadcast about the 8th or 9th of March it has been known that it is the intention of the official opposition to do what they can to prevent the passage of this legislation.

Some hon. Members: Oh, oh.

Mr. Harris: At that time he is reported in a Canadian Press dispatch to have said—

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

Mr. Harris: This is a point of order because each of these hon. gentlemen has mentioned what we are doing by way of procedure.

Mr. Rowe: There is no point of order in that.

Mr. Diefenbaker: Is this the explanation of the conspiracy here?

Mr. Harris: I read from the Ottawa *Citizen* of March 10, 1956, as follows:

> The defence production filibuster, highlight of the 1955 session of parliament, will look like a "skirmish" alongside planned Progressive Conservative opposition to the trans-Canada gas pipe line bill this session, John Diefenbaker said Friday night.

Mr. Drew: Mr. Chairman, I rise on a point of order. This has nothing whatever to do with the point of order in question.

The Chairman: Order. In his remarks the hon. member for Eglinton—

Mr. Diefenbaker: Just a dirty conspiracy on the part of the Prime Minister and the Minister of Trade and Commerce.

The Chairman: —was careful to draw certain things to my attention in a similar manner, and I intend to hear the Minister of Finance.

Mr. Fleming: Mr. Chairman—

Some hon. Members: Sit down.

Mr. Fleming: —I drew your attention to what happened in the committee. This is the statement that the minister wanted to get in last night by indulgence of the committee and he has no right to do it.

Mr. Harris: I am speaking to the point of order precisely in the same manner that you did.

Mr. Drew: Mr. Chairman, do you rule that this is in order?

The Chairman: Order. We cannot have a point of order on a point of order.

Mr. Drew: Does Your Honour rule this is in order?

Mr. Harris: Yes.

The Chairman: Certainly.

Mr. Drew: Then I appeal your ruling.

The Chairman: I am deciding the point of order raised by the hon. member for Winnipeg North Centre. I have listened with patience to the two hon. members even though at some points I did not think their remarks were too relevant, and I think I can now hear the Minister of Finance.

Mr. Drew: I appeal your ruling that this is in order.

Mr. Harris: May I continue?

Mr. Drew: Mr. Chairman, do you entertain appeals from your rulings?

The Chairman: As I said, a point of order cannot be raised on a point of order. The hon. member for Winnipeg North Centre raised a point of order and, by leave, I have allowed certain members to speak to it, one being the hon. member for Eglinton, and now the Minister of Finance.

Mr. Harris: Mr. Chairman, two or three days before that the hon. member for Assiniboia made a somewhat similar statement which I quote as follows:

> The government "ain't seen nothing yet" in the way of filibusters . . .

An hon. Member: This is not in order.

Mr. Harris: The report went on to say:

> He indicated the party's orators are geared to prolong the discussion to a greater extent than opposition leader Drew in last year's filibuster which forced amendment of the Emergency Powers Act . . .

Mr. Drew: And saved the rights of parliament.

Mr. McCann: Saved nothing.

Mr. Harris: Mr. Chairman, I did not interrupt either one—

Mr. Fleming: Mr. Chairman, what has this to do with the point of order raised by the hon. member for Winnipeg North Centre? It has nothing to do with the point of order. The minister is going on to deal with something that has nothing to do with what has occurred in this committee. I ask you to rule—

The Chairman: Order.

Mr. Fleming: —that the minister is completely outside his rights.

Mr. Rowe: Mr. Chairman, it is one o'clock.

The Chairman: Order.

Mr. Rowe: One o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Harris: Mr. Chairman,—

The Chairman: Order. Is the minister rising to the point of order which we had before us prior to the luncheon recess?

Mr. Harris: Yes, Mr. Chairman. I shall be brief. In the course of his remarks yesterday, last evening and again today the hon. member for Winnipeg North Centre and the hon. member for Eglinton imputed every possible motive to this government that they could find in the course of the particular proceedings we are taking. I only take the time of the committee to say this. This government made it clear by the statement of the Prime Minister not so long ago that we had decided on a course of action which had a deadline on it and that we were therefore obliged to take whatever action was necessary to have a decision of this committee and of the house on the point at issue. If that decision is not reached then, so far as we are concerned something has occurred which should not occur. The leader of the C.C.F. has, I think twice and perhaps more than that, referred to the fact that this government has closure and a majority and that therefore there is a corresponding balance with respect to the rules. May I point out to you, sir—without agreeing to that general proposition—that a majority means nothing if a majority cannot ultimately make a decision.

Mr. Fleming: Mr. Chairman, on the same point of order—

The Chairman: Order. I have already seen the hon. gentleman and I am now in a position to make a decision.

Mr. Drew: Is this closure?

The Chairman: Order.

Mr. Fleming: Mr. Chairman,—

Mr. Drew: Does Your Honour say that you will hear no more speakers?

The Chairman: May I remind hon. members of the fact that when the chairman is standing other hon. members should resume their seats.

Mr. Drew: Just remain silent?

The Chairman: Order.

Mr. Fleming: Are you not going to hear us on the point of order before you make your ruling?

The Chairman: Order. I indicated this morning that in my opinion I was hearing hon. members, by leave of myself, on the point of order raised by the hon. member for Winnipeg North Centre. I have now heard, in my opinion, sufficient to enable me to decide the point and I should like to do it at this moment.

Mr. Fleming: Mr. Chairman, will you permit an observation?

The Chairman: No. I cannot do so at this moment.

Mr. Knowles: Mr. Chairman, I rise on a question of privilege.

The Chairman: Order. May I advise hon. members that they may not rise while the Chairman is on his feet.

Mr. Knowles: On a question of privilege?

Mr. Fleming: This is a question of privilege.

Mr. Knowles: I rise on a question of privilege, Mr. Chairman.

Mr. Drew: Has there been closure on privilege as well?

The Chairman: Order. I am about to make my ruling.

Mr. Knowles: Mr. Chairman, I rise on a question of privilege.

The Chairman: I will hear the hon. member.

Mr. Knowles: My question of privilege is this. Earlier today, when the question was raised by the hon. member for Eglinton as to whether or not members had a right to speak in a debate on a point of order, you suggested that that was a separate question from the one that I raised and that it should be left to be settled later. It was because you said that that I did not rise to take part in that discussion at that time. I felt that there was implicit in your statement the view that you would not impose a limitation on the number of speakers on this point of order but that you would leave the question as to whether you have the right to prohibit speakers on a point of order to be settled later. I think it is quite unfair for Your Honour, having given that impression, to come along now and stop discussion when you admitted that your right to do so was a point that would have to be discussed later. In fact, I think you even said you might have to have advice on it. Now you are in effect ruling on the two points of order whereas you would not let us discuss the two points of order. You are by your action about to rule on the point of order that I raised and by cutting off other speakers you are ruling on the point of order as to whether a point of order is freely debatable. On reflection I think Your Honour will realize that the position you are about to take should be reconsidered.

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Mr. Fleming: Mr. Chairman, I wish to speak on a question of privilege.

The Chairman: Order. That is not a true question of privilege.

Mr. Fleming: I wish to speak on a question of privilege.

Mr. Knowles: In other words, privileges have gone.

The Chairman: Order. I hope I did not leave any misapprehension this morning. I admitted some doubt as to the application—

Mr. Macdonnell: Mr. Chairman, I wish to speak on a question of privilege.

The Chairman: I cannot hear the hon. member.

Mr. Nicholson: It is a question of privilege.

The Chairman: When I am on my feet and am about to give a ruling, I say it is impossible for members to raise a question of privilege.

Mr. Macdonnell: Mr. Chairman, I rise on a question of privilege.

The Chairman: As a courtesy I am going to hear the hon. member. But will the hon. member resume his seat?

Mr. Macdonnell: Yes.

The Chairman: I should like to quote to hon. members from Cushing. May I say that I have extended every courtesy to hon. members. May I quote from Cushing in "The Law and Practice of Legislative Assemblies". We simply cannot get business done in this way.

Mr. Drew: You mean you cannot get foreclosure done.

The Chairman: At page 569 of Cushing I read as follows:

> When, therefore, the presiding officer of an assembly is called upon by any individual member (and no seconder is necessary) to give his opinion as to a matter of order, arising, or which the member supposes to have arisen, as well as in those cases in which the presiding officer volunteers his opinion, he gives it at once, either with or without reasons, as he thinks proper, and proceeds to direct the assembly accordingly. Before, however, giving his opinion, the presiding officer may take the opinions of other members, at his pleasure, not in the shape of debate, on the question; but when he rises up to speak all the other members must at once resume their seats and be silent.

I indicated this morning that I heard the point of order of the hon. member for Winnipeg North Centre and that I proposed to hear several members by leave, under section 34, discuss the question of order raised by the hon. member for Winnipeg North Centre. I have now come to the point where I feel that I am in a position to decide that point. I am not at this time obliged to accept any further advice, in my opinion. I may have given a wrong impression in this respect. I also cannot decide academic points. If hon. members wish to appeal from my present ruling that I am going to make, that I am not going to hear other hon. members, I can add it to any appeal that is made. However, I have risen to my feet, as is my right, to make my ruling on this point and I intend to do so.

Mr. Fleming: I rise on a question of privilege.

The Chairman: I intend to make my ruling on this point and I must ask the hon. member—

Mr. Fleming: I wish to raise a question of privilege before you make your ruling, Mr. Chairman. There is no point in making it afterwards.

The Chairman: I intend to—

Mr. Fleming: If you do not hear me now, Mr. Chairman, you are refusing to hear my question of privilege. In other words, you are making a farce out of these proceedings and destroying the usefulness of this house. I demand the right to speak to the question of privilege.

The Chairman: Order.

Mr. Fleming: I demand the right to state my question of privilege.

The Chairman: Order. I was on my feet when the hon. gentleman rose.

Mr. Fleming: I have every respect for you, Mr. Chairman, but I indicated to you that I was raising a question of privilege and you are trying to stifle us before we even state the question of privilege. This is not any way to run a peanut stand, let alone parliament. Surely you must have some regard for the rights of members of this house.

The Chairman: The hon. gentleman rose—

Mr. Fleming: Mr. Chairman, will you hear me on my question of privilege?

The Chairman: The hon. gentleman rose to his feet while I was on my feet making a ruling.

Mr. Fleming: Mr. Chairman, you have just now said you would hear a question of privilege. I am standing up to put my question of privilege before the Chair. It is my right and I assert it.

The Chairman: I feel that I have extended every courtesy to the hon. member and I must now direct him to resume his seat.

Mr. Fleming: You have not recognized my right to raise my question of privilege.

The Chairman: I must direct the hon. member to resume his seat.

Mr. Fleming: Mr. Chairman, I assert my right to put my question of privilege before the Chair.

Some hon. Members: Hear, hear.

Mr. Fleming: And I go further and I say this to you,—

The Chairman: Order.

Mr. Fleming: —in the light of what you said earlier, if you do not hear my question of privilege you have misled the committee and every member of it. You said here earlier this morning that you would hear the members of the house on the question whether members could be heard on a question of privilege raised by another. Now you are making a decision and allowing no one to be heard. You will not even allow a member the right of raising a question of privilege.

The Chairman: I have asked the hon. member to resume his seat. He has not done so. Does the hon. member wish me to report the occurrence?

Mr. Fleming: Mr. Chairman, if you wish to deny me my right as a member of the house and refuse to hear a question of privilege, you will take your own blind course, I assume. I assert my right as the right not only of myself but of every other member of the house.

The Chairman: Order. I shall stand here until there is absolute silence. It is impossible to conduct the business of parliament in this way. The hon. gentleman rose while I was on my feet—

Some hon. Members: Hear, hear.

Mr. Fleming: We are agreed on that, and the responsibility rests with you.

The Chairman: I have asked the hon. member to resume his seat and he has refused to do so. I must, therefore, report the matter to the house.

Mr. Fleming: I rise on a question of privilege. Will you hear me on a question of privilege?

The Chairman: I leave the chair to report the matter to the house.

Mr. Fulton: Mr. Chairman, on a question of privilege; will you read the report to the committee before you make it.

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

Mr. Speaker, in committee of the whole when it was considering clause 3 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, I was addressing the committee when Mr. Fleming rose on a question of privilege. I stated that a question of privilege could not be raised while I was addressing the committee and directed Mr. Fleming to resume his seat. This, Mr. Fleming refused to do.

Mr. Speaker put the question as follows:

Mr. Robinson (Simcoe East) of the committee of the whole reports that when it was considering clause 3 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, the chairman was addressing the committee when Mr. Fleming rose on a question of privilege. The chairman stated that a question of privilege could not be raised while he was addressing the committee and directed Mr. Fleming to resume his seat. This, Mr. Fleming refused to do.

Mr. Fleming: Mr. Speaker, may I be heard? I submit to you, sir, that that report is not a true and accurate report of the proceedings in committee. These are the facts, sir. A point of order was under discussion. The discussion had commenced last night on a point that was raised by the hon. member for Winnipeg North Centre, and I followed this morning on the point of order, supporting it. When I rose the chairman of the committee said that he, at some point, wished to hear argument as to whether he, as chairman, should hear more than the member raising or introducing the point of order. He did say, however, when I undertook to discuss that subject, that he did not wish the discussion at that point, but that he would reserve that as a separate point for later discussion. I proceeded then to discuss the original point and the second point has not yet been raised.

After I was heard in part, I may say that the chairman ruled that my time was up in committee about ten minutes to one although I had not quite completed, then he heard the Minister of Finance (Mr. Harris) on the same point of order. After the noon adjournment the committee resumed at 2.30 and the floor was given to the Minister of Finance to complete his observations and representations on the point of order. He was heard to the end, and then the chairman of the committee rose and stated that he was about to make his ruling. I rose and indicated that I wished to complete briefly some remarks on the point of order. Now, if he had given me an opportunity, Mr. Speaker, I would have said that another member of my own party who was going to make a submission on the same point of order had decided to withhold those remarks and let me complete my remarks instead of having

a second speaker from my party on that point. I was not permitted even to say that.

At that point the hon. member for Winnipeg North Centre (Mr. Knowles) rose on a question of privilege. Will you bear in mind, Mr. Speaker, that the hon. member for Winnipeg North Centre was at that point heard on a question of privilege. The chairman of the committee had already said he was on his feet and was about to give his decision on the point of order, but even then, even having risen to his feet with that declared purpose, he heard the hon. member for Winnipeg North Centre on a question of privilege. I said I wished then to be heard on a question of privilege. My question of privilege was similar to his, but I was entitled, I think, to state it. The chairman of the committee did not hear me.

Then, the hon. member to my right, my colleague the hon. member for Greenwood (Mr. Macdonnell), rose to his feet and said he wished to address the chair on a question of privilege. Still the chairman of the committee was on his feet and still purporting to make his ruling on a question of order, and without having heard all the discussion on that point, but he said, if you please, that he would hear the hon. member for Greenwood on his question of privilege. I then asked that I be heard on a question of privilege. I had already tried several times, even before, to be heard on a question of privilege, and although the chairman of the committee had heard the hon. member for Winnipeg North Centre on a question of privilege and although he said he was going to hear my colleague the hon. member for Greenwood on a question of privilege, he refused to hear me on a question of privilege. I asserted, Mr. Speaker, my right to be heard on a question of privilege and not be debarred by a decision of the chair from being heard on an important question of privilege on an issue that is as important as any that will ever come before the Canadian House of Commons.

When others enjoy that right—it is not a privilege, it is a right to be heard on a question of privilege—under the same circumstances and while the same chairman was on his feet and engaged in delivering his decision on the same point of order, by what right does he accord to some members of the house the right to rise on a question of privilege and deny it to me? Therefore, Mr. Speaker, I stood my ground.

Some hon. Members: Hear, hear.

Mr. Fleming: And I did so, Mr. Speaker, without departing one inch from the respect which, in the 11 years I have been in this house, I have always given to the Chair. But there comes a time when a higher duty is owed, and it is a duty to parliament itself, to the long centuries of tradition of parliamentary freedom. And, sir, the right that I assert here today I assert not for myself alone. I assert it for all members of this House of Commons, not just today, but in days to come, to stand up against discriminatory decisions, in fact, abuse of the rules of this house and denial to members of their clear and proper and constitutional rights to discharge their responsibilities to those who sent them here, the responsibilities to all Canadians, their responsibilities not only today but to generations yet unborn, and I abide by the consequences.

Mr. Knowles: Mr. Speaker, because my name has been mentioned by the previous speaker, may I speak to the matter? I do not press it; I leave it in Your Honour's hands. Since I have your consent, I may say that the reason I feel I should say a few words is that the hon. member for Eglinton has indicated that his point of privilege arose partly because I had been permitted to speak to a point of privilege at the same juncture in the proceedings of the committee. I feel, Mr. Speaker, that I should make it clear why I felt I had a point of privilege and in doing so I think I shall make it clear to Your Honour that underlying this whole incident is a very serious misunderstanding.

My point of privilege was that during the debate on a point of order which I had raised on the motion of the Minister of Trade and Commerce another point of order had been raised, namely, as to whether or not members had the right to speak to points of order. I listened very carefully to the chairman of the committee and I understood him to say—we have to wait until we get *Hansard* to see what was actually said—that two points of order could not be dealt with at the same time; that the one would have to be disposed of first, namely, my point of order against the minister's motion, and that the other point of order as to whether or not speaking on a point of order was a matter of right would be dealt with later. My point of privilege was that because I understood from the chairman that the question of the right of members to speak on a point of order would be dealt with later therefore I refrained from speaking to it at that time. am prepared to give the benefit of the doubt to the chairman in putting it this way, but I am sure there was a misunderstanding.

The chairman asserts that he did not intend to give the impression that I got from his words, but I certainly got that impression and I am positive that I am not alone. It is out of that misunderstanding that this whole question has arisen and because of

that I think consideration has to be given to the position in which the hon. member for Eglinton has been placed. I pointed out in my question of privilege when we were in committee of the whole that in fact the chairman was doing what he said could not be done; that he was ruling on two points of order at the same time. He was attempting to rule on my point of order against the minister's motion and, in fact, by closing off discussion he was ruling on the point of order about members speaking to points of order, even though he had not permitted discussion on that second point of order. I say again, Mr. Speaker, that I am thoroughly satisfied that the chairman gave us the impression that we would be permitted to have that discussion later.

What the house does with the hon. member for Eglinton for having defied the chairman is up to the house, but it does seem to me that cognizance will have to be taken of the whole situation. I think, to put it in the best parliamentary words that I can, there was a serious misunderstanding between the chairman and the committee.

Mr. Harris: May I just say a few words, and in general agree with the hon. member for Winnipeg North Centre, though not entirely. My understanding was that the chairman decided, or was about to decide, that he had heard sufficient advice from the committee with respect to the particular point of order raised by the hon. member for Winnipeg North Centre. Now, it is true that at that point—I think I am reading the mind of the hon. member for Eglinton—he desired to argue, as had the hon. member for Winnipeg North Centre, that in doing so; that is, in refusing to hear further advice from the house in committee, he was in fact making a decision that he was not obliged to hear every hon. member who rose in the committee to offer him advice. On the other hand, I distinctly heard the chairman of the committee say that he was not called upon to make academic decisions, and I took it from that he felt at that time that he was not in fact ruling on the point of order that had been originally raised as to whether or not he had been obliged to accept advice from any hon. member.

Now, in the course of that he did read—and this may have added somewhat to the confusion which exists, if there is any at all—an extract from a textbook which indicated—and I am only going to paraphrase the words that he used—he hears members giving him advice at his pleasure. However, I do not think that can be taken as his decision, and I am sure that he did not make a decision that in fact he would or would not accept advice from any member. As a matter of fact, when he used the word "academic" I took it for granted that at a later stage of these proceedings that point would be raised and that he would probably rule on it in due course.

Mr. Knowles: But he closed off the discussion on that point.

Mr. Harris: I beg your pardon. It is true, however, that if he were to continue, as I understood him to be about to do, and no doubt the hon. member for Eglinton understood, he would in fact at that point have rendered his decision on the point of order, having heard the hon. member for Winnipeg North Centre, the hon. member for Eglinton and myself. Now, if that were taken, as I say, by the hon. member for Eglinton as a decision by him on the point of order that he did not have to accept advice from every one of the 264 members, I suppose there may be some point in the explanation offered by the hon. member for Eglinton. Nevertheless, I would have assumed, as I said, that a later decision would have been made on that point of order at a later time, and that should not be taken as barring that future decision.

However, may I say this, Mr. Speaker, with all respect to everyone who has spoken in this debate and on this particular point, that parliament after all is a body in which the officers have to be respected. As the hon. member for Rosetown-Biggar said the other day, he thought that the chairman erred in some respects. I think he may have been addressing yourself. Every one of us realizes that we do err from time to time, but one thing we must not have happen, if we can possibly avoid it, is that the authority of both Mr. Speaker and the chairman of the committee should be defied in other than the normal method of appealing to the committee or to the house as a whole.

Mr. Pallett: Under the control of the government.

Mr. Harris: The government tries just as much as it can to obey the rules of this house. At this point, sir, may I say that I think Your Honour has been seized with the explanations made by the hon. member for Eglinton, the hon. member for Winnipeg North Centre and myself. If it would appear that the first two are correct and that the chairman was about to rule on the point of order raised in the first instance by the hon. member for Winnipeg North Centre, I can suggest that the hon. member for Eglinton would not have been debarred from subsequently raising the other point, though I must say that it was hard to decide whether he was actually going to speak to the point raised by the hon. member for Winnipeg North Centre or not. Nevertheless, sir, I have

given such information to Your Honour as I could. I feel, as a matter of fact, that the chairman was going forward to make just the one ruling and not a second one and that the academic question he referred to could have been decided at a later date.

Mr. Drew: Mr. Speaker, I do not think there should be any confusion added to this by the statements that have been made by the Minister of Finance (Mr. Harris). The point at issue is perfectly clear. The hon. member for Eglinton (Mr. Fleming) rose on a question of privilege. The issue before you is not whether there was further debate on a point of order. The question is whether it is appropriate that the chairman should indicate his willingness to hear other hon. members on a question of privilege and deny that right to the hon. member for Eglinton. That is the point at issue and it should not be obscured. The Minister of Finance has said that officers have to be respected. May I say that officers also must deserve respect.

Some hon. Members: Shame.

Mr. Drew: I have stated a basic proposition that is fundamental to the whole procedure of parliament and it is appropriate that it be brought to your attention that an indication had clearly been given that two hon. members were to be accorded the right to speak on a question of privilege while that right was denied to the hon. member for Eglinton. That is the one issue before you on this occasion.

Mr. Speaker: The Leader of the Opposition (Mr. Drew) says that the issue before me is whether or not the hon. member for Eglinton had the right to rise in committee of the whole on a question of privilege. I think the Leader of the Opposition, by inadvertence I am sure, does not grasp exactly what is the reason for my having resumed the chair.

I cannot review what has happened in committee of the whole. I am not here called upon to make a ruling; I am here merely to put to the house the report that has been received from the chairman of the committee of the whole. On two earlier occasions when I thought that particular phase of my duties was misunderstood I did quote citation 428 of Beauchesne's third edition. I did that last evening. Citation 428 reads:

> In case of an appeal to the house, it is the duty of the Chairman to leave the chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the house in the language reported to him and put the question. "That the decision of the Chairman be confirmed." No discussion is allowed on the appeal.

Then I added a reference of Mr. Speaker Lemieux which appears at pages 3984 and 3985 of *Hansard*, volume IV, of 1926. That ruling is to this effect; Mr. Speaker Lemieux said:

> The question is not debatable and the Speaker is bound to accept the memorandum prepared by the Chairman of the committee. I shall read it again for the information of the house—

And at that moment the then leader of the opposition, Mr. Arthur Meighen, rose to a point of order and said:

> The statement was never submitted to the committee before being submitted to the chair. Surely it is not the rule of this house that whatever the Chairman says is the point of order is really the point of order under review either by the committee or the house. The point of order was as clear as day. The Chairman stated it before the committee clearly, and he puts it in a different way to Mr. Speaker. That was the first I knew of it. He should have put it to the committee.

Mr. Speaker Lemieux said:

> I think I am bound to accept the statement of the Chairman.

Mr. Meighen replied:

> Then appeals are useless.

Mr. Speaker Lemieux said:

> The point of order is stated by the party who is to report it to the house, or when appeals are taken from the ruling of the chair, the Chairman states his point. The Chairman stated his point in this way:—

And then he goes on to read the report. Mr. Meighen intervened again. He said:

> I speak with some diffidence, because it is some time since there was a precedent, but, I think it is the duty of the Speaker to decide a point of order.

Mr. Lapointe joined in the discussion and said:

> Section 183 of Beauchesne's Parliamentary Rules and Forms reads:
> "In case of an appeal to the house, it is the duty of the Chairman—"

This is probably taken from the second edition which is the same as citation 428 of Beauchesne's third edition. Mr. Lapointe concluded:

> I submit that even my right hon. friend the Leader of the Opposition should be amenable to the rules of the house.

Mr. Speaker Lemieux then said:

> Might I respectfully call the attention of the right hon. gentleman to what May says under rule 14:
> "Note that the appeal from the Chairman's decision is to the house and not to the Speaker."

Then he put the question and the question was decided in the affirmative. I cite this just to point out to hon. members that whatever happens in committee of the whole, if it is an appeal from a ruling by the Chairman, that appeal is not to the Speaker but rather it is to the house. I resumed the chair merely for the purpose of taking the report and submitting it to the house which must

decide one way or the other itself, a right provided by the rules of the house.

As far as the question of disorder is concerned, it is provided by standing order 59, paragraph 4, that:

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

Now, it is to the latter part of this citation that the report apparently addresses itself. The report I have received is that "the chairman was addressing the committee when the hon. member for Eglinton rose on a question of privilege. The chairman stated that the question of privilege could not be raised while he was addressing the committee and directed the hon. member for Eglinton to resume his seat. This the hon. member refused to do."

To follow the procedure which obtains under our rules and practice with respect to a report of this kind, it is to allow the hon. member who is mentioned in the report to rise and explain. The hon. member for Eglinton was given that right. He stood up a moment ago and we heard him. Following that the practice is to the effect that the hon. member concerned in the report is to withdraw while the house decides what it is going to do about the report. Now, the hon. gentleman remained with us and I think we were all happy to see him with us. And the hon. member for Winnipeg North Centre (Mr. Knowles), because he had been mentioned in the remarks made by the hon. member for Eglinton, explained further what the position was and so did the Minister of Finance. The Leader of the Opposition spoke too, but it was to indicate to me that what was before me was to decide whether or not the hon. member for Eglinton had a right to be heard on the question of privilege.

I think I have explained as fully as I can that it is not my duty at the moment to decide on that point. I have nothing to do with whatever has taken place in committee of the whole. All that I have to deal with is the report I have received and my duty consists merely of presenting that report to the house and this is what I have done. The matter is now entirely in the hands of the house and not in mine.

Mr. Harris: Mr. Speaker, I regret greatly that this incident has arisen. I regret it doubly because of the fact that we were in the midst of a debate which is controversial and in which there appear to be strong feelings. Nevertheless, sir, we have had a good deal said about the rights and privileges of the opposition members. We have done our best not to argue too strongly about the rights and privileges of a government.

In this particular instance, you have indicated, Mr. Speaker, that you have no role to play in this particular incident except to accept on behalf of the house the report made by the chairman of the committee and that the remedy lies with the house. I take that to mean, therefore, that some action is necessary by the house, and I presume that I must accept that responsibility as house leader.

The hon. member for Eglinton has explained to the house the reasons why he felt obliged not to carry out the instructions of the chairman of the committee. It seems to me, sir, that what I said before is bound to occur in this house, that, even if perchance it may be that we believe that a chairman of committees or a Speaker may happen to be wrong at the moment, there are other forms of remedy at a later time which can be used to overcome that error, if it is one, rather than at the moment taking a position such as that which the hon. member did.

I realize that is something he chose to take on his own responsibility, as he has made it clear. Nevertheless, if the business of parliament is to be conducted in accordance with what I have always understood to be the traditions of supporting the chairman of committees and Your Honour in the house—

An hon. Member: And with respect to the rights of parliament to speak.

Mr. Harris: Those rights of parliament, as I have said, may very well be interpreted only by the presiding officers, and when they make an interpretation it is, I think, a duty of parliament to uphold them until a later time when another incident may occur. In these circumstances there appears to be, as I understand it from a very brief reading of the precedents, a reference of the matter to a committee; there seems to be a case of the suspension of the hon. member, if the house so determines, for the remainder of the sitting or at whatever length the house might decide.

I presume, sir, that the former, that is the question of the reference to a committee, has to do with a reference more inclined to his own personal interest perhaps of matters such as have been raised on other occasions. If that is so, and if this house is to indicate its support of the presiding officers in their decisions, the only possible motion which can be made is one of suspension. It is with the greatest regret that I am obliged to make that motion. I therefore move:

> That the hon. member for Eglinton (Mr. Fleming) be suspended from the service of the house for the remainder of this day's sitting.

Some hon. Members: Shame.

Northern Ontario Pipe Line Corporation

Mr. Fulton: I move an amendment to the motion of the Minister of Finance:

That the motion be amended by deleting all the words after "That" and substituting therefor the following:

"this house record its support of the hon. member for Eglinton in his assertion of the historic and inalienable right of hon. members to rise and speak on a question of privilege in committee of the whole."

Mr. Speaker: The Minister of Finance has moved a motion to the effect that the hon. member for Eglinton be suspended from the service of this house for the remainder of the present sitting. The hon. member for Kamloops rose and moved an amendment. I am informed that the motion to suspend the member is not debatable.

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

Mr. Speaker: I shall hear the hon. member for Winnipeg North Centre on the point of order, but before he speaks I would tell him that I have just been informed that it is not debatable by virtue of standing order 32.

Mr. Knowles: Mr. Speaker, at this point I shall confine myself solely to the question as to whether the motion of the Minister of Finance is debatable. If I establish my point with regard to its debatability I shall speak to the motion later, but I shall restrict myself at this time to the point of order as to whether or not this motion is debatable. I too, during the time we have had since this incident started to arise, have been reading the citations and standing orders that would seem to apply and I also sent to the library and got *Hansard* for July 31, 1944, when the former member for Parkdale was reported and suspended from the service of the house for the balance of that day. If Your Honour wishes the page, it is 5683 of *Hansard* for July 31, 1944.

Your Honour relies for your statement that the motion is not debatable on standing order 32. May I point out, however, that there does not seem to be any standing order that spells out the procedure in connection with the naming of a member. I realize that this is not what is technically called the naming of a member, but from standing order 34 (2) it is fairly clear that it is, with respect to something that happened in the committee of the whole, the same thing as would be applied in the house itself. Standing order 34 (2) reads:

Mr. Speaker or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, or repetition, may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him, or, if in committee, the chairman shall report him to the house.

Then there is another standing order calling for a report by the chairman to the house of any alleged misconduct. The reason I read standing order 34 (2) is that, so far as I can find, that is the only place in our standing orders where the word "naming" appears. Now, if one looks at Beauchesne's third edition—

Mr. Speaker: May I say this, so that we understand each other? I do not think that in this instance the member concerned had to be named. He was not named. He disregarded the authority of the chair in committee, and whenever that is considered to be disorder and when there is disorder in committee according to standing order 59 (4), a report must be made. Since at that moment when I resumed the chair I merely had to read the report of the chairman to the house, I have no power to name anyone, but the house has it within its power to censure, in whatever form it sees fit, the member who is mentioned in the report of the chairman. As a result of that I take it that the Minister of Finance, as leader of the house, has moved the motion that is now before me. The hon. member will be good enough to address himself to the question whether or not this motion of suspension is debatable.

Mr. Knowles: Mr. Speaker, we are on common ground and in complete agreement that this is not naming because the incident took place in committee of the whole rather than in the house itself. But when we start to search the standing orders to find what course we will follow in a case such as this I think Your Honour will agree that we have to look at all of the standing orders that seem to apply. You are right in directing our attention to standing order 59(4) which says:

The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

Now, whether it is naming, which this is not, or whether it is a case of the house dealing with the report that has come from the committee, the question arises, how does the house deal with it? There are citations in Beauchesne, limited in number, but nevertheless there are some that can give us guidance. The only standing order which seems to me to have application is standing order No. 30 which reads as follows:

If anything shall come in question touching the conduct of any member, or his election, or his right to hold his seat—

I make it quite clear that I am reading the whole standing order although those last two phrases do not apply.

—he may make a statement and shall withdraw during the time the matter is in debate.

I also draw your attention to citation 229 which is based on that standing order although, of course, it refers to it as standing order 36, which was the number of standing order 30 in the former rules. Citation 229 reads as follows:

Note that under standing order 36, the member shall withdraw during the time a matter touching his conduct is in debate.

I point out, therefore, Mr. Speaker, that both standing order 30, or 36 as it used to be, and citation 229 of Beauchesne, third edition, indicate that a matter of this kind is dealt with by a debate. Surely if it is dealt with in debate, or by debate, that involves a debate. Your Honour may say that you are stymied by standing order 32 because it does not include in the provisions from (a) to (l) thereof a reference to a motion of this kind. I do not think it is a matter of surprise that a motion of this kind is not included there because it does not come up very often. I do not think it has occurred since the occasion when Dr. Bruce was put out of the house on July 31, 1944. But please note that subparagraph (m) of paragraph 1 of standing order 32 says:

(m) such other motion, made upon routine proceedings,—

I am prepared to admit that Your Honour may try to rely on that phrase, that this is not being made on routine proceedings, but the question might be asked how have we got anything if we have not in effect reverted to routine proceedings?

—as may be required for the observance of the proprieties of the house, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangements of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

I am sure it is quite clear from what the Minister of Finance said that his motion was made in his view—I am not arguing its merits now—under the general provisions of the maintenance of the authority of the house. Because it comes in there, the maintenance of the authority of the house, and that, I emphasize, is under the section that spells out debatable motions, it seems to me it is clear that it is debatable. Therefore, Mr. Speaker, to summarize, apart from the fact that the motion putting Dr. Bruce out was debated briefly on July 31, 1944, I would say that there are these three references: Standing order 30, which says that this is something that is dealt with in debate; citation 229 of Beauchesne, third edition, which refers to the matter being in debate, and third, there is the provision in standing order 32 (1) (m) which says that motions dealing with the maintenance of the authority of the house are debatable.

Mr. Fulton: On the point of order, Mr. Speaker, I have some additional citations with respect to the debatability of the motion. I would refer you first to Beauchesne, third edition, citation 191, page 82. I had better read the full citation. It is as follows:

It is the practice in the House of Commons to bring up a question of privilege after prayers, and before the house has taken up the orders of the day. Only in very aggravated cases, requiring the immediate interposition of the house, will any business be suddenly interrupted. May says, page 241, twelfth edition, that "the proceedings of the house may be interrupted at any moment, save during the process of a division, by a motion based on a matter of privilege"—

Perhaps I might pause there to say that is exactly what was happening in committee.

—"when a matter has recently arisen which directly concerns the privileges of the house, and in that case the house will entertain the motion forthwith." Bourinot, page 303, quotes an ancient authority as saying: "Whether any question is or is not before the house, and even in the midst of another discussion, if a member should rise to complain of a breach of privileges of the house, they have always instantly heard him."

Then there is one further three line sentence in that citation which does not seem to have any bearing on this particular matter. If you turn to Bourinot, page 305, you will see the following authoritative statement:

The Canadian House of Commons, in its desire to deal promptly with all questions affecting its members, has generally waived the strict rules which govern matters of privilege, properly speaking, and given every possible facility for inquiry thereon.

May I pause there to say that it seems to me impossible to have an adequate inquiry without adequate discussion and debate. Continuing the citation:

When a member proposes to make a motion touching another member—

That is certainly what has happened in this case. The Minister of Finance has made a motion touching the member for Eglinton.

—it is frequently found convenient that he should state his intentions in his place, and then give notice that he will move it when motions are called in due order on a subsequent day.

Again interrupting the reading, I may say that it is made clear elsewhere that the house may take it under consideration immediately and therefore it is not necessary to give notice. Therefore I make no criticism on that ground although I think it might be argued that it would be more appropriate to do so. However, we seem to be seized of this matter at once, but I point out that the

fact that you give notice would to my mind, at any rate, indicate that the purpose of giving notice is so that members can be adequately prepared to debate the matter. Now then, after the question of whether or not debate is allowed on such a matter, page 306 of Bourinot is absolutely in point, and it reads as follows:

When a debate on a question of privilege has been adjourned until a future day—

I would ask Your Honour to pay particular regard to this passage on page 306.

When a debate on a question of privilege has been adjourned until a future day, priority will still be given to it. This was done in the case of Louis Riel, mentioned in a previous page, and there are numerous precedents in the English and Canadian *Journals* illustrating the same point.

So that Bourinot is direct authority for the proposition that such a question is debatable because debate may be adjourned and, sir, if it is debatable then, of course, it is susceptible to amendment. It would, of course, be utterly improper, I think, in view of the importance of the matter and the desire to protect all matters touching upon the conduct and position of members, to dispose of such a question without a debate and without an opportunity to assert the contrary view which I have sought to do in the amendment that I have moved to the motion.

Mr. Speaker: The two hon. members who have spoken on the point of order that has been raised have, I believe, confused a question of privilege which is raised as such by one complaining of a breach of privilege and concluding with a motion or by one making an attack against an hon. member and concluding by a motion which may be dealt with, because it is privilege, immediately or may be appointed for debate and disposal at another time, at which time an amendment may be moved or the matter may be referred to the committee on privileges and elections. The hon. member for Winnipeg North Centre has quoted standing order 30 as having a bearing on the situation as it presents itself at the moment. Standing order 30 reads as follows:

30. If anything shall come in question touching the conduct of any member, or his election, or his right to hold his seat, he may make a statement and shall withdraw during the time the matter is in debate.

This is a standing order which is germane to the two standing orders, namely standing order 79 and standing order 80, which used to be under the one heading before the house sent the matter of controverted elections to the courts. They were under the title "Independence of Parliament". They affected the case where in a debate, while a debate is going on, an attack is made on a member. I think it happened here in the last parliament and the next day the said member came to the house and made a speech and then withdrew. As a matter of fact I think it happened twice during the last parliament that standing order 30 was applied. But at this moment we are not in a debate and a member has not been attacked as to his conduct or his right to hold his seat or in anything pertaining to his election. What has happened is a question of disorder which arose in committee. It is the matter of disregarding the authority of the Chair. That is the offence which has been reported by the chairman of committees. That report has been read to the house and the house has it within its power—because it may regulate its own proceedings and punish its own offenders—to decide what it will do. The hon. member for Eglinton had the right to explain, as in the case of Mr. Bruce who had been involved in a similar matter of misconduct. At page 5682 of *Hansard* of July 31, 1944 we find the following:

Mr. Speaker: Mr. Bradette, chairman of the committee of the whole, reports that in committee of the whole Mr. Bruce, hon. member for Parkdale, during an address directed to the Prime Minister and the committee, stated that Bill No. 161, an act to provide for family allowances, introduced by the government, was a bribe to the people of Canada. Mr. Bruce was asked by the chairman to withdraw the word "bribe" which he had used. Mr. Bruce refused to withdraw that expression and appealed to the house from the chairman's ruling.

Mr. Cassleman: On a question of privilege, may I ask how the chairman made this report, when he was not in the chair at six o'clock? He was not even in the house.

Mr. Bradette: I was in the house.

Mr. Rowe: No; you just heard about it during the dinner recess.

Mr. Bradette: On a question of privilege, I was in the house when the discussion took place and, more than that, I have read the report of *Hansard*.

Mr. Golding: I should have an opportunity to speak.

Mr. Speaker: Order.

Mr. Rowe: You have been ignored all through.

Mr. Speaker: With regard to the question as to the chairman of committees making a report when he was not in the Chair, it is the duty of the Clerk to take a note of proceedings in committee, and I now have these notes.

Mr. Homuth: I rise to a question of privilege. I say that in the confusion just before six o'clock *Hansard* did not get everything the chairman had said, because he did accept the hon. member's word.

Mr. Mackenzie (Vancouver Centre): He did not.

Mr. Speaker: The only matter before the Chair is the report from the chairman of the committee. It is my duty to remind the house that the question is: Shall the ruling of the chairman be confirmed?

Then the division took place. Then later, after the division, we find this:

Mr. Speaker: The decision of the house having been given, I wish to direct a remark to the hon. member for Parkdale (Mr. Bruce). He is an old member of the house, accustomed to the dignity and decorum of assemblies. Under circumstances

which are very painful to the house and to myself I would ask the hon. gentleman if he would withdraw his remark.

Mr. Bruce: Mr. Speaker, I regret to say that I cannot and will not withdraw my remark.

Mr. Speaker: I must therefore ask the hon. member if he will withdraw from the chamber until the house decides what it will do.

Then there is a note:

And Mr. Bruce having withdrawn.

Then Mr. Mackenzie King spoke to the point as did Mr. Graydon. When Mr. Mackenzie King spoke he concluded his remarks with a motion:

That Mr. Bruce, member for Parkdale, be suspended from the service of this house for the remainder of today's sitting.

Then Mr. Graydon spoke and this is what he said:

Mr. Graydon: May I say to the Prime Minister that this pretty well indicates the degree of seriousness of the offence and, I think, shows the ridiculousness of the position which the Prime Minister and the government have taken in connection with it.

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

Some hon. Members: Yea.

Mr. Speaker: Those against the motion will please say "nay".

Some hon. Members: Nay.

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

Then the members were called in and a division took place.

If a motion to censure a member were to be debatable and amendable, the purpose of the rule would be defeated. I am just told that in the case of Mr. Lacombe, the then member for Laval-Two Mountains, what happened was this. As soon as the motion was moved by Mr. Ilsley, as reported at page 1607 of *Hansard* of March 24, 1942, the Speaker said this:

It is moved by Mr. Ilsley, seconded by Mr. Crerar, that the hon. member, Mr. Liguori Lacombe, member for Laval-Two Mountains, be suspended from the service of the house during the present sitting. Is it the pleasure of the house to adopt the motion?

Then the motion was agreed to and there was no debate.

It must be remembered that at this moment, when a report such as this is made by the chairman of committees, there is nothing before the house but the report of the chairman of committees. I think I have established sufficiently that I cannot deal with the report but that it is up to the house itself to deal with it. The hon. member concerned in the report has a right to explain and he has done so. If the hon. member for Eglinton (Mr. Fleming) had chosen, for instance, to say "Maybe I was too hasty" or if he had given the house to understand that if he had the thing to do over again he would not do it, the situation might be different. Then someone could have moved that the statement made by the hon. member for Eglinton be accepted and the house would have been called upon, without debate, to vote on that motion immediately. Some one has to take the lead in these matters when the house has decided this point, and citation 136 of Beauchesne's third edition does indicate that the leader of the house has certain responsibilities with respect to this matter. The motion that is now before the house is one that the house is called upon to dispose of one way or the other at the moment.

Mr. Fulton: Mr. Speaker, do you rule it is—

Mr. Speaker: Does the hon. member care to comment?

Mr. Drew: Is Your Honour ruling that this motion is not debatable?

Mr. Speaker: That is the ruling I have just made.

Mr. Drew: Then, Your Honour, with great respect I appeal that ruling because I believe it is scandalous that a decision of this kind be made without an opportunity to discuss the merits of what took place.

Mr. Speaker: Because of the remarks that have just been made by the Leader of the Opposition (Mr. Drew) that he appeals my ruling because it is scandalous that a decision of this kind be made without an opportunity of discussing the matter, may I say that these are difficult days for members on both sides of the house. I am going to volunteer certain remarks which I hope will help in the circumstances.

There are two sides in this house, members on my right and members on my left. No matter how serious, how difficult the political warfare or strategy between the two sides may be, I am now asking hon. members to keep in mind that the occupants of the chair are not concerned with and are not capable of intervening in the political warfare which takes place between the two sides. The occupants of the chair are forbidden by the rules from taking part in the debates. They have, for a long time, ruled themselves even out of debate in the committee of the whole. During the time they occupy the chair their constituencies are not to be heard through their voice. They are completely outside the discussion which takes place in the house.

Now, when a ruling is made hon. members have recourse to an appeal. No matter how useless they themselves may feel that recourse to be, nevertheless that is the only recourse they have. On the other hand, if they wish to criticize the occupants of the chair, not by way of appeal to the house on a ruling that has been made but because of

their conduct, because of their partiality, because of their partisanship, because of any other reason, they also have a recourse and that recourse is, I think, one that should not be taken by devious means. I think it should be used in a straightforward manner. The occupants of the chair are deprived of so many rights as compared with other hon. members, for the purpose of doing their job, and if in the opinion of one hon. member or a group of hon. members the occupants of the chair are not deserving of the honour the house has given them; if they are not deserving of chairing any committees or the house itself; if they are not following the traditions and rules of the house as they should; if they are to be condemned in any way, I think the occupants of the chair are entitled to have their fate decided in the way the house has provided for centuries for doing this, and that is by way of a substantive motion after notice being placed on the order paper. I am sure it would be called at the earliest possible moment in order to have a debate brought about and the conduct of the occupant of the chair decided one way or the other.

I would beg hon. members, notwithstanding whatever heat is developed in debate, to understand that is the position of the occupants of the chair. When the Leader of the Opposition says, "I want to appeal from your ruling", he has that right, and that right I grant him. But to add that he appeals my ruling because it is scandalous that a decision of this kind, that this motion is not debatable, be made without hon. members being able to speak to the matter, I think is going beyond his right in asking for an appeal, a right which I never refused to him.

Mr. Drew: If you would permit me to point out, what I referred to was the procedure. I said it was scandalous that a matter of this kind could be decided without anything being said to explain the situation. I would point out that my remarks referred directly to something that has already been discussed. Your Honour has taken a decision, and I am not questioning the decision that you cannot go behind the report that comes to you.

Having regard to your ruling to that effect we have on several occasions sought to have the chairman read the report to us before it was presented to you. I am referring to the procedure which brings an issue of this kind to you without the opportunity to members to explain to you what actually did take place in the committee. It was in relation to that procedure that I used the term I did.

Mr. Speaker: Then if the Leader of the Opposition did not want to apply the term in a way that would cast reflection on the Chair, that is on myself at the moment, I am very pleased to hear that and I want to thank him for that clarification.

Here again, when he says it is because they have sought in committee of the whole to do a certain thing and the chairman did not let them do it, if the occupant of the chair did not do what he was supposed to do, then they are entitled to have the matter, not criticized by a sentence here and there, but by having a substantive motion placed on the order paper.

Mr. Drew: If I may clear that point up now, I wish to state that the chairman who was sitting in the chair does not command the confidence of the members on this side of the house, and such appropriate steps as should be taken will be followed.

Mr. Speaker: Mr. Harris moves, seconded by Mr. Campney, that the hon. member for Eglinton be suspended for the remainder of this day's sitting.

Mr. Drew: Your Honour, I have appealed your ruling.

Mr. Speaker: That is right; I am sorry.

The question before the house is an appeal from the Speaker's ruling.

The Minister of Finance moved that the hon. member for Eglinton be suspended for the remainder of this day's sitting. The hon. member for Kamloops, the hon. member for Winnipeg North Centre and the Leader of the Opposition contended that this motion was debatable or amendable, and I ruled that the motion to suspend a member was not debatable under standing order 32.

Those who are in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

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

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: The nays?

Mr. Speaker: I said the nays.

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Applewhaite	Blackmore
Ashbourne	Blanchette
Batten	Boisvert
Beaudry	Boivin
Benidickson	Boucher
Bennett	Bourget

Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Gagnon
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Matheson
Menard
Meunier
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Ratelle
Richard (Ottawa East)
Richardson
Roberge
Robertson
Robichaud
Rouleau
St. Laurent (Quebec East)
St. Laurent (Temiscouata)
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Stick
Stuart (Charlotte)
Thatcher
Thibault
Thomas
Tucker
Valois
Viau
Weir
Weselak
Wylie—133.

NAYS

Messrs:

Argue
Barnett
Bell
Blair
Brooks
Bryce
Cameron (Nanaimo)
Campbell
Cardiff
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fulton
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Hodgson
Herridge
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
Macdonnell
MacInnis
McCullough (Moose Mountain)
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Rea
Robinson (Bruce)
Rowe
Small
Stanton
Stewart (Winnipeg North)
Trainor
Tustin
White (Hastings-Frontenac)
Winch
Zaplitny—54.

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

Mr. Speaker: The question now is on the motion moved by the Minister of Finance. Mr. Harris, seconded by Mr. Campney, moves:

That the hon. member for Eglinton (Mr. Fleming) be suspended from the service of the house for the remainder of this day's sitting.

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

YEAS

Messrs:

Applewhaite
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Blackmore
Blanchette
Boisvert
Boivin
Boucher
Bourget
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Caron
Carrick
Cauchon
Cavers
Clark
Cloutier
Crestohl
Dechene
Decore
Denis
Deschatelets
Deslieres
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garson
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hanna
Hansell
Hardie
Harris
Harrison
Hellyer
Henderson
Henry
Hollingworth
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Lapointe
Leduc (Gatineau)
Lefrançois
Lesage
Low
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton

McCann	Ratelle
McCulloch (Pictou)	Richard (Ottawa East)
McDonald	Richardson
McIlraith	Roberge
McIvor	Robertson
McLeod	Robichaud
McMillan	Rouleau
McWilliam	St. Laurent (Quebec East)
Mang	St. Laurent (Temiscouata)
Marler	Shipley, Mrs.
Matheson	Simmons
Menard	Sinclair
Meunier	Smith (Battle River-Camrose)
Mitchell (Sudbury)	Stick
Monette	Stuart (Charlotte)
Murphy (Westmorland)	Thibault
Patterson	Thomas
Pearson	Tucker
Philpott	Valois
Pickersgill	Viau
Pinard	Vincent
Pommer	Weir
Power (St. John's West)	Weselak
Proudfoot	Wylie—131.
Prudham	
Purdy	
Quelch	

NAYS

Messrs:

Argue	Johnson (Kindersley)
Barnett	Jones
Bell	Knight
Blair	Knowles
Brooks	Lennard
Bryce	Macdonnell
Cameron (Nanaimo)	MacInnis
Campbell	McCullough (Moose Mountain)
Cardiff	Mitchell (London)
Castleden	Monteith
Charlton	Murphy (Lambton West)
Churchill	Nesbitt
Coldwell	Nicholson
Diefenbaker	Nowlan
Dinsdale	Pallett
Drew	Pearkes
Ellis	Rea
Fairclough, Mrs.	Robinson (Bruce)
Fulton	Rowe
Gagnon	Small
Green	Stanton
Hamilton (Notre Dame de Grace)	Stewart (Winnipeg North)
Hamilton (York West)	Trainor
Harkness	Tustin
Hees	White (Hastings-Frontenac)
Herridge	Winch
Hodgson	Zaplitny—55.
Howe (Wellington-Huron)	

Mr. Speaker: I declare the motion carried.

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

And Mr. Fleming having withdrawn:

Mr. Diefenbaker: Farewell, John Hampden.

And the house having resumed in committee:

On clause 3—*Establishment and constitution.*

The Chairman: Order.

[Mr. Speaker.]

Mr. Knowles: I rise on a question of privilege.

An hon. Member: Anything for headlines.

The Chairman: Order. I am on my feet and questions of privilege cannot be raised. I now propose—

Mr. Macdonnell: Mr. Chairman, earlier in the afternoon, as I understood it, you said that you would hear me on a question of privilege.

The Chairman: Order. While I am on my feet no hon. member may rise. I propose to give my ruling in connection with the point of order raised by the hon. member for Winnipeg North Centre in connection with the motion of Mr. Howe (Port Arthur) that further consideration of clause 3 of this bill be postponed.

As reported at page 4311 of *Hansard* of last evening the hon. member for Winnipeg North Centre raised his point of order and, from the first paragraph, it is apparent that it is somewhat similar to points of order raised on two previous occasions in connection with similar motions. As reported at page 4312 of *Hansard* the hon. member raises a point which is somewhat different from the points previously raised. I refer to his reference to page 537 of May's fifteenth edition, which reads as follows:

> A proposal to postpone the only effective clause of a bill until the subordinate clauses have been considered, or to postpone part of a clause, is out of order.

I have examined the bill with some care and I find that I can distinguish a point of separation in that clause 3 is not the only effective clause of this bill, in my opinion. I shall not elaborate on this matter, but the hon. member for Winnipeg North Centre himself indicated that the English practice in these respects is sometimes different from our own.

The hon. member for Eglinton raised several points, one with regard to "consideration" or "further consideration", with which I think I dealt sufficiently at length on a previous occasion. He also introduced one subject which I thought was somewhat new in that he mentioned the point—I forget his exact words—that if we did not consider or did not pass clause 3, we could not deal with the later clauses because clause 3 deals with the setting up of the corporation.

I do not consider that point to be well taken, in that the motion proposes only that further consideration of the clause be postponed. It does not kill the clause.

I have therefore come to the conclusion that even after considering the new material, I am bound by the two precedents which

have been set by decisions of the house. I rule accordingly that the point of order is not well taken.

Mr. Knowles: I wish to appeal your ruling to the house and I ask you, sir, to include in your report to Mr. Speaker that my point of order was based on standing order 78 (1) and also on page 537 of May's fifteenth edition, and also on the principle that it is not proper to seek to do indirectly what cannot be done directly. At your option you may also include that the only answer made to my three points by the Minister of Finance was that the government has decided it has to take whatever action is necessary to reach a decision.

The Chairman: May I point out to the hon. member that some confusion seems to have arisen with regard to the question of a report. I think I drew the attention of hon. members previously to citation 428 of Beauchesne's third edition, which says that in case of an appeal to the house it is the duty of the chairman to leave the chair immediately and report in writing the point of order which he has decided. *Hansard*, of course, will give a complete report of what has taken place. I consider it my duty to reduce the matter to writing, and if I have not done so adequately *Hansard* will show that. In view of the fact that when the hon. gentleman appeals I must leave the chair immediately, I think that suspends the matter and it is my duty, I imagine during the time I have left the chair, to reduce the matter to writing. I consider that as my duty and I shall perform it now.

Mr. Knowles: Will you hear this point of privilege?

The Chairman: Since I have given my ruling on the point of order and it has been appealed, I feel it is my duty to leave the chair and present the matter to the house. I do so now.

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

In committee of the whole, when it was considering clause 3 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order to the effect that standing order 78 (1) would be violated if the motion of the Minister of Trade and Commerce to postpone the further consideration of clause 3 of the bill was carried, and it was his submission that there had to be consideration of a clause before it could be postponed; and further, that it was not in order to postpone the only effective clause of a bill until subordinate clauses had been considered, and for further considerations advanced.

After considering the question raised in this point of order, I thought the matter was similar to that raised on previous occasions, and I still felt bound by the precedents established yesterday. I therefore ruled that the point of order was not well taken. From this, Mr. Knowles appealed.

Mr. Speaker put the question as follows:

Mr. Robinson (Simcoe East) of the committee of the whole reports that when in committee Mr. Knowles raised a point of order to the effect that standing order 78 (1) would be violated if the motion of the Minister of Trade and Commerce to postpone the further consideration of clause 3 of the bill were carried, and it was his submission that there had to be consideration of a clause before it could be postponed; and further that it was not in order to postpone the only effective clause of a bill until the subordinate clauses had been considered; and for further considerations advanced.

After considering the question raised in the point of order the chairman thought the matter was similar to that raised on previous occasions, and he still felt bound by the precedents established yesterday and therefore he ruled that the point of order was not well taken. Whereupon Mr. Knowles appealed to the house from the chairman's ruling.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Applewhaite	Gour (Russell)
Ashbourne	Gregg
Batten	Habel
Beaudry	Hanna
Benidickson	Hansell
Bennett	Hardie
Blackmore	Harris
Blanchette	Harrison
Boisvert	Hellyer
Boivin	Henderson
Boucher	Henry
Bourget	Hollingworth
Brisson	Holowach
Brown (Brantford)	Hosking
Brown (Essex West)	Houck
Bruneau	Howe (Port Arthur)
Buchanan	Huffman
Byrne	Hunter
Cameron (High Park)	James
Campney	Johnston (Bow River)
Caron	Jutras
Carrick	Kirk (Antigonish-Guysborough)
Cauchon	Kirk (Shelburne-Yarmouth-Clare)
Cavers	Lafontaine
Clark	Leduc (Gatineau)
Cloutier	Lefrançois
Crestohl	Lesage
Dechene	Low
Decore	Lusby
Demers	MacDougall
Denis	MacEachen
Deschatelets	MacKenzie
Deslieres	MacNaught
Dickey	Macnaughton
Dumas	McCann
Eyre	McCulloch (Pictou)
Fairey	McDonald
Follwell	McIlraith
Forgie	McIvor
Fraser (St. John's East)	McLeod
Garson	McMillan
Gauthier (Lake St. John)	McWilliam
Gauthier (Nickel Belt)	Mang
Gauthier (Portneuf)	Marler
Gingras	Matheson
Gingues	
Goode	

Menard	Robichaud
Meunier	Rouleau
Mitchell (Sudbury)	St. Laurent (Quebec East)
Monette	Shipley, Mrs.
Murphy (Westmorland)	Simmons
Patterson	Sinclair
Pearson	Smith (Battle River-Camrose)
Philpott	Stick
Pickersgill	Stuart (Charlotte)
Pinard	Thatcher
Pommer	Thomas
Power (St. John's West)	Tucker
Proudfoot	Valois
Prudham	Viau
Purdy	Vincent
Quelch	Weir
Ratelle	Weselak
Richard (Ottawa East)	Wylie—131
Richardson	
Roberge	
Robertson	

NAYS

Messrs:

Argue	Jones
Barnett	Knight
Bell	Knowles
Blair	Lennard
Bryce	Macdonnell
Cameron (Nanaimo)	McCullough (Moose Mountain)
Campbell	Mitchell (London)
Cardiff	Monteith
Charlton	Murphy (Lambton West)
Churchill	Nesbitt
Coldwell	Nicholson
Diefenbaker	Nowlan
Dinsdale	Pallett
Drew	Pearkes
Ellis	Rea
Fairclough, Mrs.	Robinson (Bruce)
Fulton	Rowe
Gagnon	Small
Green	Stanton
Hamilton (Notre Dame de Grace)	Stewart (Winnipeg North)
Hamilton (York West)	Trainor
Harkness	Tustin
Hees	White (Hastings-Frontenac)
Herridge	Winch
Hodgson	Zaplitny—52
Howe (Wellington-Huron)	
Johnson (Kindersley)	

And the house having resumed in committee:

Mr. Drew: It is five o'clock.

Some hon. Members: Five o'clock.

Progress reported.

PRIVATE BILLS

Mr. Speaker: There are several bills that have to be considered in committee of the whole. Is it agreeable that all these bills be referred to the committee of the whole in one motion?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 251, to incorporate the Fellowship of Evangelical Baptist Churches in Canada.—Mr. Cameron (High Park).

[Mr. Speaker.]

The Deputy Chairman: There are referred to this committee a number of divorce bills. Is there unanimous consent that the committee deal with all these divorce bills as one?

Some hon. Members: Agreed.

Bill No. 257, for the relief of Islay Isobel Campbell Jones.—Mr. Henderson.

Bill No. 258, for the relief of Audrey Joan Atkinson Hanson Hanson.—Mr. Henderson.

Bill No. 259, for the relief of Marie Eglantine Victoria Laurenza Gagne Holowaty.—Mr. Henderson.

Bill No. 260, for the relief of Barbara Helen Major Kaye.—Mr. Henderson.

Bill No. 261, for the relief of Hazel McJanet Thompson Stewart.—Mr. Henderson.

Bill No. 262, for the relief of Patricia Marion Cook Townsend.—Mr. Henderson.

Bill No. 263, for the relief of Helen Joan Franks Manley Sellen.—Mr. Henderson.

Bill No. 264, for the relief of Lily Kite Herscovitch.—Mr. Henderson.

Bill No. 265, for the relief of Mary Bagdonas Roselle.—Mr. Henderson.

Bill No. 266, for the relief of Arthur Telford Bates.—Mr. Henderson.

Bill No. 267, for the relief of Marjorie Pennell Robinson.—Mr. Henderson.

Bill No. 268, for the relief of Joseph Henri Andre Lessard.—Mr. Henderson.

Bill No. 269, for the relief of Sheila Joan Mencher Morantz.—Mr. Henderson.

Bill No. 270, for the relief of Frances Marie Ware Ami.—Mr. Henderson.

Bill No. 271, for the relief of Shirley Field Schleider.—Mr. Henderson.

Bill No. 272, for the relief of Jeannine Cecile Marie Tessier Davies.—Mr. Henderson.

Bill No. 273, for the relief of Madeline McIsaac Metayer.—Mr. Henderson.

Bill No. 274, for the relief of Gloria Ann Hazelton Stewart.—Mr. Henderson.

Bill No. 275, for the relief of Clifford Acland Barber.—Mr. Henderson.

Bill No. 276, for the relief of Hilda Louise Prewer Shaver.—Mr. Henderson.

Bill No. 277, for the relief of Gertrude Earle Bell.—Mr. Henderson.

Bill No. 278, for the relief of Leba Lee Black Lichtenstein.—Mr. Henderson.

Bill No. 279, for the relief of Helen Walker Seivewright Edwards.—Mr. Henderson.

Bill No. 280, for the relief of Gertrude Hayes Renaud.—Mr. Henderson.

Bill No. 281, for the relief of Isabell Jones Page.—Mr. Henderson.

Bill No. 282, for the relief of Joyce Burgess Lewis Cloutier.—Mr. Henderson.

Bill No. 283, for the relief of Marie Ivonne Blais Leger.—Mr. Henderson.

Bill No. 284, for the relief of Jeanne Fleury Touchette.—Mr. Henderson.

Bill No. 285, for the relief of Doris Cammy Lapkoff.—Mr. Henderson.

Bill No. 286, for the relief of Thea Anna May Laskowski.—Mr. Henderson.

Bill No. 287, for the relief of Thelma Barton Taylor McPhee.—Mr. Henderson.

Bill No. 288, for the relief of Olga Pritula Memi.—Mr. Henderson.

Bill No. 289, for the relief of Ethel Elizabeth Margaret Ritchie Campbell.—Mr. Henderson.

Bill No. 293, for the relief of Edith May Robertson Thompson.—Mr. Henderson.

Bill No. 294, for the relief of Hans Christian Anderson.—Mr. Henderson.

Bill No. 295, for the relief of Raffaele Polissena.—Mr. Henderson.

Bill No. 296, for the relief of Hilda Evelyn Charlton Carlson.—Mr. Henderson.

Bill No. 297, for the relief of Dorothy Pilkington Wilson.—Mr. Henderson.

Bill No. 303, for the relief of Dorothy Nesbitt Ward Pratt.—Mr. Henderson.

Bill No. 304, for the relief of Nichita Tomescu.—Mr. Henderson.

Bill No. 305, for the relief of Lilly Kotoffsky Schwartz.—Mr. Henderson.

Bill No. 306, for the relief of Rita Beryl Gwendolyn Scott Darlington.—Mr. Henderson.

Bill No. 307, for the relief of Dorothy Christie Bradley Cunniam.—Mr. Henderson.

Bill No. 308, for the relief of Samuel Marks Stirling.—Mr. Henderson.

Bill No. 309, for the relief of Violet Ethel Stanway Sharpe.—Mr. Henderson.

Bill No. 310, for the relief of Elizabeth June Robertson Fraser.—Mr. Henderson.

Bill No. 311, for the relief of Shirley Ann Joss Le Boeuf.—Mr. Henderson.

Bill No. 312, for the relief of Marguerite Catherine Evans Macfarlane.—Mr. Henderson.

Bill No. 313, for the relief of Agniete Stravinskaite Paskevicius.—Mr. Henderson.

Bill No. 314, for the relief of Joseph Marc Bernard Levesque.—Mr. Henderson.

Bill No. 315, for the relief of Kenneth Wilfred Morgan.—Mr. Henderson.

Bill No. 316, for the relief of Mary Helen Norah Whelehan Gondos.—Mr. Henderson.

Bill No. 317, for the relief of Roger Paul Rene Hilaire Varnier.—Mr. Henderson.

Bill No. 318, for the relief of Sarah Abramovsky Gordon.—Mr. Henderson.

Bill No. 319, for the relief of Ruth Shirley Churchill O'Neill.—Mr. Henderson.

Bill No. 320, for the relief of Edgar Ferland Theoret.—Mr. Henderson.

Bill No. 321, for the relief of Therese Laure Turgeon Garson.—Mr. Henderson.

Bill No. 322, for the relief of Marie Jeannine Lucette Poirier Legault.—Mr. Henderson.

Bill No. 323, for the relief of Marie Rose Therese Allain Gauvin.—Mr. Henderson.

Bill No. 324, for the relief of Marie Therese Murielle Audelin Blemur.—Mr. Henderson.

Bill No. 325, for the relief of Frantisek Horsky, otherwise known as Francis Horsky.—Mr. Henderson.

Bill No. 326, for the relief of Anne Campbell Hogwood.—Mr. Henderson.

Bill No. 327, for the relief of Maud Virginia af Ugglas Marchant.—Mr. Henderson.

Bill No. 328, for the relief of Annie Eva Lewin Sutcliffe.—Mr. Henderson.

Bill No. 329, for the relief of Vanda Vainoraite Lebedziunas.—Mr. Henderson.

Bill No. 330, for the relief of Ivy Hutchcraft Faucett.—Mr. Henderson.

Bill No. 331, for the relief of Charles Edouard Racicot.—Mr. Henderson.

Bill No. 332, for the relief of Jeanine Yvonne Pinatel Wells.—Mr. Henderson.

Bill No. 333, for the relief of Georgina Mary Elizabeth Forcade Sheehan.—Mr. Henderson.

Bill No. 334, for the relief of Bridget Ann Hamilton Limoges.—Mr. Henderson.

Bill No. 335, for the relief of Mildred Jane Clendenning Dephoure.—Mr. Henderson.

Bill No. 336, for the relief of Elizabeth Marie Hartwig Bensinger.—Mr. Henderson.

Bill No. 337, for the relief of Beatrice Mary Lucretia Glassco Bishop.—Mr. Henderson.

Bill No. 338, for the relief of Marie Therese Justine Georgette Spenard Mignault.—Mr. Henderson.

Bill No. 339, for the relief of Vera Florence Gilson Shehyn.—Mr. Henderson.

Bill No. 291, respecting Canadian Pacific Railway Company.—Mr. Decore.

Bill No. 299, respecting Trans-Prairie Pipelines of Canada, Ltd.—Mr. Weaver.

Bill No. 300, respecting Ogdensburg Bridge Authority.—Mr. Henderson.

Bill No. 302, respecting the construction of a bridge over the St. Lawrence river near the city of Trois-Rivieres.—Mr. Boisvert.

Private Bills—Divorce

SECOND READING—SENATE BILL

Bill No. 341, for the relief of Marcel Alban St. Amour.—Mr. Henderson.

GRACE ELIZABETH BROWNING MACDONALD

Mr. W. J. Henderson (Kingston) moved second reading of Bill No. 342, for the relief of Grace Elizabeth Browning MacDonald.

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

Mr. Fulton: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

MARY CAROL DEVONE HENRY SCOTT

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 343, for the relief of Mary Carol Devone Henry Scott.

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

Mr. Fulton: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

STANLEY MIRA LEVENE

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 344, for the relief of Stanley Mira Levene, otherwise known as Stanley Mira Francis.

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

Mr. Fulton: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

ALICE ISABEL CHRISTIAN THOMPSON

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 345, for the relief of Alice Isabel Christian Thompson.

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

Mr. Fulton: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

CZARNA LANDZMAN DESMARAIS

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 346, for the relief of Czarna Landzman Desmarais.

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

[The Deputy Chairman.]

Mr. Fulton: On division.

Motion agreed to on division, bill read the second time and referred to the standing committee on miscellaneous private bills.

REAL PERRAS

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 347, for the relief of Real Perras.

Mr. A. M. Nicholson (Mackenzie): I crave the indulgence of the house for a brief period on this bill. I should draw attention to the fact that 78 persons have been granted relief, or moved along one stage, in the last few minutes, but this is a case that was before parliament a year ago. On July 1 last year my colleague, the hon. member for Burnaby-Coquitlam (Mr. Regier), discussed this case. Earlier in the session he referred to the fact that he had a letter from a Roman Catholic priest who had been a chaplain with the armed services, who had written to my colleague on behalf of this poor woman.

Apparently some hon. members on the other side of the house had some doubts about the accuracy of my colleague's statements, so in due course he received instructions from the priest to give whatever publicity he might wish to in connection with the case. I think hon. members at this point should pay attention to the letter which was put on *Hansard* on July 1 last year, as found on pages 5596 and 5597 of *Hansard* of 1955. The letter begins:

> The poor lady has been notified that the Senate committee for divorces will hear her case on Friday, March 11. For the last three weeks, she had been on the verge of a nervous collapse.

Then further on:

> The expectation was too much for her.

Then the hon. member made some interjections, and he was also interrupted.

> February the 26th, she fell sick and the doctor had to be called. She was sent to hospital and since then has been in bed under treatment. She had a blood transfusion—

My colleague then remarked that they do not give blood transfusions for the fun of it.

> —daily serum and was seen by the hospital's psychiatrist.
>
> Now, she will not be able to go to Ottawa this Friday. The lawyer asked for a written statement from her doctor and is going to present the committee with that letter. The doctor is even ready to go to Ottawa and testify if necessary.
>
> What I am afraid of is that the adverse party tries to pull a fast one on her and win the case by default.
>
> I simply think that it is criminal, even for a husband to frighten and torture his wife so much in order to get his goal that she totally collapses under the strain and tension. Such ignominious behaviour should be punished and I am really deeply shocked by the fact that our laws permit such events to happen.

I trust you to be able to stop a divorce that could be obtained under such circumstances. If you feel it may be useful to use my name and letters in that case, don't hesitate to do so.

May I thank you again for the care you took of that case.

I am very truly yours,

Capt. Rev. Robert M. Rivest,
Headquarters Quebec Command,
3530 Atwater Avenue,
Montreal.

Following the discussion in the house by the hon. member for Burnaby-Coquitlam (Mr. Regier) debate on the case was adjourned; then later the case came before the standing committee on miscellaneous private bills. I find that on the July 8 I had occasion to discuss the case in the house. Hon. members will probably recall that one of the investigators in this particular case was employed by a firm known as Reliable Detective Agency, and he and one of the other members of the firm were charged with fabricating evidence. I made some mention of that, and on page 5900 of *Hansard* of July 8, 1955, I find the following taken from the judgment of the appeal court:

The appellants, desiring to obtain evidence for the purpose of enabling a married woman to secure a divorce, planned to trap the husband into a false position from which adultery might be inferred or found if evidence was later given in some proceeding for divorce. This plan was to have a woman go to a room in an hotel, register under an assumed name and give the room the appearance of the bed having been occupied. She was not required to do anything more. The husband was to be lured by a pretext to the room and, when there, could be found by the two appellants, who would then be in a position to give evidence as to his being found there with the woman. In carrying out this plan, the appellants arranged with woman "A" to obtain the hotel room and perform her part of the plot, which she did. In the meantime, the appellants arranged with woman "B" to call the husband, under an assumed name, which was the name which woman "A" was to use at the hotel, and invite him to come to the room. This was done by woman "B", but the husband was suspicious. Woman "B" claimed to be a friend of the husband's sister, and the husband took the precaution of calling his sister as to the friend whose name he had been given over the telephone. Instead of going to the hotel room as invited the husband went to the police, with the result that the plan at that stage miscarried and it was the police who went to the hotel room, instead of the two appellants who were endeavouring to mislead someone.

The two men involved were Messrs. Pichette and Santerre.

Mr. Diefenbaker: Would the hon. member say what he is reading?

Mr. Nicholson: This is *Hansard* for July 8 of last year, page 5901. These are some details in connection with a case which was heard before Magistrate Strike in Ottawa. Hon. members will probably recall that the case was appealed and Mr. Justice MacKay of the appeal court of Ontario ruled:

The first ground of appeal is that the crown failed to prove the intent necessary to constitute the crime charged. It is argued that it was necessary, under the charge as made, to prove an intent to mislead a court of justice, and that the intent proved in this case was not an intent to mislead a court of justice but, at most, an intent to mislead the divorce committee of the Senate, and parliament which might act upon a recommendation of the divorce committee.

Since that time, Mr. Speaker, I understand that the Senate has taken the necessary precautions so this will never happen again. At that particular time Mr. Justice MacKay apparently ruled that it was quite all right to fabricate evidence to mislead the Senate or mislead the House of Commons.

Mr. Diefenbaker: Is that what the judge held?

Mr. Nicholson: At that time, yes. The ruling was that the Senate committee was not a court of justice.

Mr. Diefenbaker: That is quite a different thing.

Mr. Nicholson: They were acquitted. The judgment of Magistrate Strike was reversed and the detectives were given a clear sheet. But it is significant, Mr. Speaker, that Mr. Pichette, who was involved in fabricating evidence in the case I have mentioned, was one of the witnesses who came here a year ago to support the petitioner, but when the case was heard this year Mr. Pichette did not come. There were three detectives a year ago who accompanied the petitioner and, gave evidence on which the Senate committee reached a decision, but it is significant that although two of them came back this year, the one who was involved in the fabricating of evidence did not return.

This case was contested a year ago when it was Bill No. 184. We are a little behind this year because this year it is Bill No. 347 on the order paper. Mr. Pichette was examined last year and he was asked about the details in connection with the charge of fabrication of evidence. As found at page 28 of the proceedings of the Senate committee, counsel for the petitioner said:

I object to that, because there has been a judgment of the appeal court of Ontario and the charge of fabricating evidence has been dismissed; therefore, I don't think this question can be brought up today.

Then the chairman of the committee, Senator Ross, said:

It goes to the credibility of the witness.

Counsel for the petitioner replied:

But there was a judgment dismissing it.

So counsel for the defendant was not able to present his case as effectively as I am sure he would have presented it if he had been here this year. As I recall the situation, the wife has had a very difficult time in securing enough funds to defend herself adequately. On the other hand, the husband apparently has adequate funds available.

This is the first instance since I first came to parliament in 1940, Mr. Speaker, when, a lobby has been conducted in connection with a divorce case. I resent very much being lobbied by people without first being notified by them that they wish to lobby. I do not think those who are asked to judge a case of this sort should have one of the parties to a dispute walk into their offices without first telephoning or asking if it would be convenient to discuss the case.

I have had access to the evidence given before the Senate committee; and the standing committee on miscellaneous private bills, of which I was a member at that time, reviewed the case. I think it is also significant, Mr. Speaker, that although a whole year has passed since the case was before parliament there has been no attempt to secure any new evidence. Hon. members might think it queer that the wife was not here to defend herself, but I think those who were on the committee last year realize what a terrific nervous strain it is for a woman who has been in poor health to be under the sort of attack that Father Rivest describes in his letter to the hon. member for Burnaby-Coquitlam.

I should like to say, Mr. Speaker, that the miscellaneous private bills committee is taking a step at the moment for which I think it is to be commended, and I think this procedure should be made known to others who might be in a similar position.

There is another case before us in which $175 was ordered by the other place toward the expenses of the witnesses coming to Ottawa. They were here on a Friday, they had to come back on a Monday, and the amount of money was not sufficient to cover the actual out of pocket expenses; so the counsel in this other case has made two trips to Ottawa and has not had a five-cent piece. Our committee thought his request was only reasonable that he should have an opportunity to go to the appropriate court in the province of Quebec in order to see whether that court will not order the husband to make available to the wife sufficient funds to carry out her defence.

In connection with this case I submit that apparently the husband has adequate funds available to give both himself and his wife adequate counsel on the case. Since the evidence on which we have been asked to pass judgment here was collected quite some long time ago—it would appear as though it would be August 3, 1954; that will soon be two years ago—and since no new evidence has been produced in connection with this unfortunate case for nearly two years, I should like to have the co-operation of the house in supporting, as unanimously as we have these other 78 bills that have gone through, my motion which is seconded by the hon. member for Moose Mountain (Mr. McCullough):

That the motion be amended by leaving out the word "now" and adding the words "this day six months' hence" at the end thereof.

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

Mr. Nicholson: Yes.

Mr. Diefenbaker: As to the witnesses who gave evidence two years ago, were they the same witnesses with the exception of the one whose conviction was quashed in the court of appeal of Ontario, or were they a new set of witnesses to the same adultery?

Mr. Nicholson: Yes. Two of the three who were here on the previous occasion were back this year. The recommendation was granted on their evidence. The one witness who was involved in the case which went before Magistrate Strike was not back here, but the two who were here on the previous occasion were back, and the information which they secured nearly two years ago was accepted this year.

Mr. W. J. Henderson (Kingston): Mr. Speaker, if I recall the case that the hon. member—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Mr. Knowles: There is an amendment, Mr. Speaker.

Mr. Speaker: I am sorry.

Mr. Knowles: You are forgiven, sir.

Mr. Speaker: Thank you very much. I am satisfied that the hon. member for Winnipeg North Centre and all other hon. members appreciate the fact that I may be somewhat tired today.

An hon. Member: What about us?

Mr. Henderson: Speaking to the amendment moved by the hon. member who has just spoken to Bill No. 347, standing in my name, I first should like to say that with respect to the other case which the hon. member mentioned and the directing of funds to counsel on behalf of the respondent to

come here, I do not want any wrong impression left. I think I could say this for all members of the committee on miscellaneous private bills. They do not in any way intend to interfere with the direction of a case by counsel appearing before them on behalf of their respective clients.

To get down to this particular case, namely the Perras case, if I am not mistaken it has been twice before the Senate committee and last year was before the House of Commons committee, but unfortunately was one of those that were considered by the committee, but not in time to be considered for third reading by the house.

I realize that this may not be the time to go into this matter more than on the principle of this bill before us. I think it might be summarized by saying that with regard to the rights of the petitioner—and he has a right—this might not be the appropriate time to set it over, but it should again be considered by the committee responsible for considering these matters.

I might say that I, as chairman of the committee, have been highly pleased with the conduct of hon. members of that committee, having regard to the close attention they have given to matters of this kind. I might say that in cases where there are paid investigators the committee members give them added scrutiny, and I believe do a very good job.

I had hoped that the hon. member would allow this bill to go to the committee for consideration before moving his six months' hoist. As I say again, we must respect the petitioner's right. The petitioner has come before the Senate and the House of Commons. This time I notice that the case has come unopposed, that the respondent was called but did not appear.

Mr. Nicholson: No money available.

Mr. Henderson: Nobody appeared for the respondent and the respondent herself did not appear. It has not come to my attention yet, as chairman of the committee, that any request was made for the $175, I believe it was, that was mentioned in another case by my hon. friend.

I think I am remembering the evidence correctly when I recall that this case was before the committee previously and in this previous instance I think it was the same army captain who was named as co-respondent by the petitioner. The unusual part of it, the part that struck me at the time, was the fact that this lady worked in an establishment in which the army captain worked, as I recall it. This was a very warm summer night. Something I really could not get through my mind was why he should be going back there to her residence and giving as an excuse that he was going to have a bath—

An hon. Member: Because he needed one.

Mr. Henderson: It was a hot day. I could not understand why he should give that excuse as partial explanation for being in this lady's residence. I know at that time that really caused some concern and consternation amongst the members of the committee. Possibly they were influenced by that evidence in arriving at a decision.

I might say that, as I recall, the investigators appeared before the committee at that time and were very carefully cross-examined by the members of all parties. The evidence which they gave, in the opinion of most members of the committee, stood up very well. I do not think the co-respondent relieved himself of the duty which was imposed on him to explain why he was in the room of the wife of another man on this hot day, other than to take this bath.

I presume the evidence is very much the same. I also direct the attention of hon. members of this house to the fact that we must remember that the petitioner has petitioned to the Senate. The evidence was carefully gone into by the members of the Senate committee, who collectively or individually would be qualified to judge the validity of that evidence and come to a conclusion based upon the facts presented to them. In this particular instance the bill has reached the point of second reading in this house, and it would appear that the very active members of the private bills committee, such as the hon. member who has just spoken, would be able not only to do their duty but to show respect for the rights and privileges of other citizens in this country, in this particular case the petitioner, if the bill were permitted to go to the committee.

As I recall it, the petitioner is making his third petition, according to his right, to have this marriage dissolved. It is not a right that is particular to him but is a right extended to all citizens who live within the jurisdictions that require this procedure. I would ask that this bill be permitted, in the usual course of events, to go to the private bills committee for consideration. Possibly there my hon. friend might find something with which he could convince both the members of the committee and the members of this house that this bill should not be further considered. Let me conclude by saying that at this stage I really believe it would be well considered in the committee.

Private Bills—Divorce

The house divided on the amendment (Mr. Nicholson) which was negatived on the following division:

YEAS

Messrs:

Argue
Barnett
Bell
Blackmore
Brooks
Bryce
Cameron (Nanaimo)
Cardiff
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Ellis
Fairclough, Mrs.
Gagnon
Green
Hahn
Hamilton (York West)
Hansell
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Johnston (Bow River)
Jones
Knight
Knowles
Lennard
Low
McCullough (Moose Mountain)
McLeod
Murphy (Lambton West)
Nicholson
Pallett
Quelch
Robinson (Bruce)
Small
Smith (Battle River-Camrose)
Stewart (Winnipeg North)
Thomas
Trainor
Tustin
Zaplitny—45.

NAYS

Messrs:

Applewhaite
Ashbourne
Batten
Benidickson
Bennett
Brown (Brantford)
Brown (Essex West)
Buchanan
Byrne
Cardiff
Carrick
Cavers
Clark
Crestohl
Decore
Eyre
Fairey
Follwell
Garland
Garson
Gregg
Hanna
Harris
Harrison
Henderson
Hosking
Houck
Huffman
Hunter
James
Kirk (Shelburne-Yarmouth-Clare)
Lusby
MacDougall
MacKenzie
MacNaught
McCulloch (Pictou)
McDonald
McIlraith
McMillan
Mang
Marler
Matheson
Mitchell (Sudbury)
Philpott
Pickersgill
Pommer
Proudfoot
Prudham
Purdy
Richardson
Robertson
Shipley, Mrs.
Simmons
Stick
Stuart (Charlotte)
Thatcher
Tucker
Weir—57.

On motion of Mr. Ellis the debate was adjourned.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with the pipe line bill on Monday.

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

ANSWERS TO QUESTIONS

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

INTERNATIONAL RIVERS CONFERENCES

Question No. 160—**Mr. McLeod:**

1. Has any conference between top level authorities of the United States of America, the federal government of Canada and the province of British Columbia, been held to discuss downstream benefits in relation to power developments on international rivers?

2. If not, are any conferences being arranged for?

3. Has sufficient exploratory work been done to enable the Department of Northern Affairs and National Resources to report on the project for diversion of the flood waters from the Columbia into the Fraser river basin?

4. If so, when will this report be available?

Answer by: **Hon. Jean Lesage (Minister of Northern Affairs and National Resources):**

1. No.

2. The Prime Minister suggested to President Eisenhower during the conference at White Sulphur Springs, on March 27, that questions relating to rivers crossing the boundary be discussed by the two governments. Announcement that such discussions will take place was made on May 23. It was also announced that the Minister of Northern Affairs and National Resources and the premier of British Columbia will meet on June 5 to discuss water problems of common concern.

3. No.

4. No precise date can be given at this time.

JET AIRCRAFT CRASHES

Question No. 256—**Mr. Castleden:**

1. What was the total loss of jet aircraft which crashed: (a) during training in Canada; (b) during overseas manoeuvres, for each of the years 1953-54-55-56, to date?

2. What was the total loss of life in these crashes in each of these years?

3. What was the total loss of each type of jet aircraft for each of these years?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

	1953	1954	1955	1956 (to March 31)
1. (a)	19	35	39	4
(b)	13	29	27	7
2.	11	42	42	7
3. Sabre	27	35	39	7
T33	2	23	24	3
CF100	3	6	3	1

Note: In each of the years 1953-54-55 there was steady and progressive increase in the number of hours of jet flying in the R.C.A.F.

Questions

SICK MARINERS' TREATMENT SERVICE

Question No. 447—**Mr. Thatcher:**

1. Was it originally intended that the sick mariners' treatment service should be self-sufficient?

2. During the past fiscal year, what were (a) the expenditures made under the act; (b) the receipts from the tonnage tax on the ships concerned?

3. Has consideration been given recently to increasing the tax to a point which would render the fund self-sufficient?

4. Are there any reasons which would render such action impractical?

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

1. Yes.

2. (a) $967,914.41 (not final); (b) sufficient time has not lapsed since the close of the fiscal year to permit receipt of full returns from the many points in Canada where tonnage dues are collected by collectors of customs of the Department of National Revenue.

3. Yes.

4. Yes.

WATER AND SEWER FACILITIES, AKLAVIK TOWNSITE, N.W.T.

Question No. 503—**Mr. Hardie:**

Is the Department of National Health and Welfare being consulted on water supply and sewage disposal requirements for the new Aklavik townsite?

Answer by:* **Hon. Jean Lesage (Minister of Northern Affairs and National Resources):

Yes.

**See supplementary answer on page 4408.*

TRANS-CANADA HIGHWAY—FEDERAL PAYMENTS TO PROVINCES

Question No. 501—**Mr. Lafontaine:**

1. What has been the total amount paid to date by the federal government to each Canadian province, including Quebec, under the Trans-Canada Highway Act?

2. To date, what additional sums have been agreed to be paid to each province, including Quebec, in connection with the trans-Canada highway?

3. How many miles of the trans-Canada highway have been constructed to date in each province, including Quebec?

Answer by: **Mr. Bourget, Parliamentary Assistant, for the Minister of Public Works:**

1. Payments by the federal government on account of work done to May 12, 1956, under the trans-Canada highway agreement:

Newfoundland	$ 7,718,276,84
Prince Edward Island	1,625,910.87
Nova Scotia	309,903.60
New Brunswick	3,839,235.87
Quebec	—
Ontario	24,003,894.35
Manitoba	7,036,435.21
Saskatchewan	9,052,874.88
Alberta	10,029,209.42
British Columbia	17,946,864.34
Total	$81,562,605.38

Questions

2. Estimated additional payments to be made by the federal government, upon submission of claims, on account of work approved under the trans-Canada highway agreement to May 12, 1956:

Newfoundland	$ 2,215,100.00
Prince Edward Island	1,048,900.00
Nova Scotia	2,102,900.00
New Brunswick	927,700.00
Quebec	—
Ontario	14,249,800.00
Manitoba	2,196,800.00
Saskatchewan	1,634,800.00
Alberta	2,624,400.00
British Columbia	5,588,800.00
Total	$32,589,200.00

3. Equivalent trans-Canada highway mileage completed to March 31, 1956, exclusive of work in the national parks. These figures are for mileage completed under the trans-Canada highway agreements between the federal government and the participating provinces:

	Grading	Base course and paving
Newfoundland	215·6	—
Prince Edward Island	55·0	52·4
Nova Scotia	32·9	18·8
New Brunswick	66·9	59·6
Quebec	—	—
Ontario	416·7	350·6
Manitoba	152·0	153·5
Saskatchewan	367·0	305·3
Alberta	214·1	196·1
British Columbia	204·4	177·3
	1,724·6	1,313·6

DEFENCE PRODUCTION CONTRACT—PIERRE THIBEAULT

Quetion No. 507—**Mr. Boisvert:**

1. Have any contracts been granted by the Department of Defence Production to Pierre Thibeault, Pierreville, Quebec, Pierre Thibeault Canada Limited, Pierre Thibeault Company Limited, and Pierre Thibeault Manufacturing Company, since April 1st, 1951?

2. If so, how many and what was the amount of each contract?

Answer by: **Mr. Dickey, Parliamentary Assistant, for the Minister of Defence Production:**

1. Yes.

2. 79. See list.

Dates and values of contracts awarded to Pierre Thibeault, Pierreville, Quebec, Pierre Thibeault Canada Limited, Pierre Thibeault Company Limited and Pierre Thibeault Manufacturing Company from April 1, 1951 to March 31, 1956.

1951:	July 12	$1,762.65
	July 18	99.00
	July 24	125.00
	July 31	179.00
	August 3	146.25
	August 28	152.46
	September 26	2,721.25*
	October 2	705.60
1952:	July 31	76.46
	August 5	8,254.00
	October 7	10.45
	October 24	341.25
	November 20	50,597.00*
	December 10	330.00
	December 13	152.60
	December 30	84.80
1953:	January 14	127,794.00*
	January 20	70.00
	February 23	1,440.00
	February 27	66.00
	March 12	244.00
	March 12	654.00
	March 16	10.50
	March 16	15.75
	March 23	44.00
	May 5	132.00
	May 7	5,489.00
	May 26	298.70
	June 8	291.50
	June 16	88.00
	July 24	698.89
	July 30	686,504.70*
	July 30	5,608.40
	September 1	216.00
	October 5	420.00
	October 19	105.00
	November 13	167.79
	November 13	210.00
1954:	March 23	415.80
	May 13	29,405.49
	September 21	38.10
	October 5	108.40
	October 15	.70
	October 15	13.50
	October 15	621.00
	November 23	137.00
	November 26	225.00
	December 27	321.64
	December 29	28.45
1955:	January 31	1,795.20
	February 15	792.00
	February 21	44.18*
	February 21	11.00
	February 24	188.99
	June 1	16.47
	June 2	98,444.50*
	June 2	48.40
	June 17	312.72

Question

ANSWER TO QUESTION

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

NATIONAL HEALTH PLAN—INCLUSION OF MENTALLY ILL

Question No. 400—**Mr. Diefenbaker:**

1. Has the government given consideration to the inclusion of the mentally ill in the national health insurance plan or hospital insurance scheme?
2. If so, what decision has been reached?

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

1. Yes.

2. The details of the proposal made by the federal government to the provinces was conveyed by the Prime Minister to the House of Commons on January 26, 1956.

END OF VOLUME IV

Mr. McIvor: On a point of order, I would like to inform the hon. member that that—

An hon. Member: No point of order.

An hon. Member: Sit down.

The Deputy Chairman: Order. I think we have decided more than once that you cannot meet a debatable point by calling it a point of order. If the hon. member for Fort William does not agree with the statement being made by the hon. member for Dauphin he will have an opportunity to correct it, but he cannot interrupt the hon. member in the middle of his speech without his permission to give his own views on a debatable point.

Mr. McIvor: Mr. Chairman, it was a misrepresentation. That is why I stood up.

The Deputy Chairman: I am not concerned with whether it is a misrepresentation, I am concerned with whether the hon. member for Fort William has the right to butt in at this stage.

Mr. Zaplitny: I have no desire to misrepresent anyone. The hon. member will have an opportunity to straighten this out on his own time. I was referring to the attempt by the hon. member for Macleod to use the old McCarthy trick of guilt by association. He is trying to make a communist out of everyone who opposes this bill because he says the communists are opposed to it. Let me ask the Social Credit party: where do they find themselves in this debate? Here they are acting as a spare tire on the Liberal jalopy. If they believe in guilt by association then they are the tail end of the Liberal party. What is more, I would rather be associated with a party in this house which was opposed to this bill, even though we disagree on the details, than be the instrument of the oil oligarchy of Alberta, the timber tycoons of British Columbia and the beer barons of Saskatchewan—I mean Manitoba. The same thing may apply to Saskatchewan, but we have evidence from Manitoba to show that the breweries of Manitoba have been financing our Social Credit friends. If they believe in guilt by association, let them choose their own partners. May I call it ten o'clock.

Mr. Hansell: Mr. Chairman, may I—

An hon. Member: Ten o'clock.

The Deputy Chairman: Order.

An hon. Member: Ten o'clock.

An hon. Member: Closure.

The Deputy Chairman: It being ten o'clock I leave the chair, unless the hon. member is rising on a question of privilege, which I think is unlikely, if I may say so.

Mr. Hansell: I was rising to correct a statement.

An hon. Member: Ten o'clock.

The Deputy Chairman: I am afraid that we have ruled already that corrections of that sort cannot be made during the middle of a member's speech, and that is the stage at which technically we are at the moment.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this tomorrow.

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

who sent us here, to ask them to dip into their pockets and pull out approximately $9 per capita—because that is about what it amounts to, $9 for every man, woman and child in this country—to make a contribution to Trans-Canada Pipe Lines, a private monopoly.

So far as I am concerned personally, Mr. Chairman, even if Trans-Canada Pipe Lines were willing and able to build this pipe line with their own capital and were not dipping into the public treasury at all, I for one would still stand for a publicly owned pipe line system because I do not believe it is wise or prudent, and I do not believe we have the right to harness the people of Canada with a private monopoly and put it in the position of being able to squeeze our municipalities and consumers for the next century.

Let us not forget we are not building this pipe line for tomorrow or next year of for the next five years. It is something that is going to be here for perhaps 100 years or more. We hope this is true so far as this country is concerned because it is an important step. I for one would not be satisfied even if Trans-Canada could build this pipe line with their own money, because I do not believe it is a wise thing to grant a monopoly to a private company to operate a public utility. But the situation is infinitely worse then that because the government is asking us to go to our taxpayers and ask them to contribute $9 apiece for every man, woman and child in order to help a private company to set up a private monopoly in this country, and they wonder why the opposition has reacted so violently to this measure which they brought into the house. What would our taxpayers say? For example, in my constituency there are approximately 50,000 people. I would have to go to them and say, "I am asking you to donate $450,000 to the government so they can hand it over to a private company to build a gas line which will give them a private monopoly across this country." What would the response be?

Mr. Hansell: They are not handing it over; do not be silly.

Mr. Zaplitny: I shall come to my Social Credit friends in a moment. The stand this party has taken is the only logical stand any party could have taken if it had any respect for the public interest or the consumers of this country. I do not think it will be long before the people of Canada will feel they are thankful that there was at least one group in this house which in spite of the combined opposition made up of the huge Liberal majority and their Social Credit allies stood up in this house and fought for a principle which is in the public interest.

[Mr. Zaplitny.]

I have heard my friends to the left chipping in once in a while and I think I should devote a few minutes of my time for their benefit. The hon. member for Macleod made a speech yesterday in which he made a number of statements. I regret that I have to deal with them because some of our friends to the left who speak in this house occasionally speak with sense. The kind of speech the hon. member made yesterday did no credit to himself or to his party. What was his theme? His theme was that anyone who is opposed to the measure brought in by the government is following the communist line.

Mr. Hansell: Hear, hear.

Mr. Zaplitny: The hon. member says, "Hear, hear", which confirms it.

Mr. Hansell: Yes, sir.

Mr. Zaplitny: I am glad to have the hon. member's confirmation. Let me ask the hon. member for Macleod this question: Would he be in favour of a publicly-owned gas pipe line across Canada?

An hon. Member: No.

Mr. Zaplitny: The hon. member for Macleod does not reply, but an hon. member of his party with less experience says, "No." If we follow his own definition, his own logic, we must assume that if he is not in favour of a publicly-owned pipe line then he is following the communist line.

An hon. Member: Perfectly ridiculous.

Mr. Zaplitny: Let me quote his own words. He said that he believed that we were following the communist line, first because there is not a communist in this country who wants this pipe line. We are proposing that the pipe line be publicly built. The member of the Social Credit party says that he does not want it, so according to his own definition he is following the communist line. Let him say something in reply to that.

I have an article which appeared in the Ottawa *Journal* of today in which it states that a United Church in downtown Toronto held a meeting and agreed to send a petition to the Governor General asking that he dissolve this house and call for an election. The article sets out the terms of the petition and it ends with these words:

> We are sending this petition because we feel our democratic rights as Canadians are being misused.

They were strenuously opposed to the government measure dealing with this pipe line. That was the United Church of Canada in Toronto. Does the hon. member for Macleod claim that—

Then later on, speaking in this house on May 22, the Minister of Trade and Commerce used these words, as recorded at page 4168 of *Hansard*. When he was questioned about the option on steel pipe the Minister of Trade and Commerce said:

> . . . I suggest this is a discussion which should take place in committee. We can hardly discuss the contents of a contract now.

Here we have two ministers of the government telling the opposition when questions were raised, "Why not wait until we get into committee on the resolution and then we can go into all the details of this bill?"

What happened when we reached the resolution stage? Before any hon. member of the opposition had uttered one word or asked one question the Minister of Trade and Commerce gave notice that on the following day closure would be moved and the debate ended. Is that the way the opposition in this house should be treated? Indeed, is that the way the private members who support the government should be treated? I say that because the speech that was made by the Minister of Finance in the house was just as interesting and important to hon. members sitting behind him as to those sitting in front of him and whether or not he meant it to be so it was a completely misleading statement to all hon. members of this house.

The Ottawa *Journal* in an editorial published on May 29 comments on the effect of such statements in these words:

> It is a grave thing for ministers to mislead the house; in Britain it is regarded as one of the deadly sins against parliament and public life.

Now, I endorse 100 per cent the opinion expressed in that editorial in the Journal. I believe it is a deadly sin against democracy and parliamentary life to mislead the members of this house by saying to them, "Let us not raise this question now. When we get into the committee stage you will have ample time to discuss every angle of this matter." And when we reached the committee stage, before anyone had uttered a word, the Minister of Trade and Commerce moved closure. That is one of the things that have stirred this country and given rise to a great many protests.

I come back now to what I consider to be the essential issue, and that is, what about the pipe line itself? We in this group stated in this house five years ago, and have stated over the years since then and from the beginning of this debate, that we want to see a gas pipe line built across Canada which is to serve the Canadian public. We have stated right from the beginning that we believe the only way in which that gas pipe line can serve the interests of the Canadian people fairly and impartially, and the only way in which it can be retained in Canadian hands, is through public ownership. I made that statement, Mr. Chairman, on March 15 when the original resolution which was abandoned by this government was under discussion. I spoke these words:

> So long as the issue of stock remains in public hands, there cannot be any guarantee that the ownership of the pipe line will remain in Canadian hands. We can ensure that this public utility can be retained in Canadian ownership only if it remains in public ownership.

Since that time, of course, that statement has been more than fully confirmed by what the Minister of Trade and Commerce has said in this house and by what other hon. members have said. The only way in which we can assure the Canadian people that the gas pipe line will remain in Canadian hands, and therefore fully in Canadian control, is if it belongs to the people of Canada. There is no other way.

Now, that is one part of it and the other part of it is this. We talk about the reason for the gas pipe line. We want to serve the consumers across Canada. Our hon. friends to the left of us talk about the producers of gas in Alberta—

An hon. Member: And the consumers.

Mr. Zaplitny: —and the consumers also, of course. The question arises: If the Canadian people are going to be asked to raise approximately $130 million in order to finance this pipe line, then who should own it after it is built? That is an important question. That is the real issue. That is the bedrock question that has to be answered in this parliament and it is a question that cannot be answered by a snap decision. It is a question that requires full consideration without any closure because it is one of the most fateful decisions which this parliament will likely be called upon to make in this half century.

Think for a moment what has happened. We have had experiences in the past where Canadian resources have been sold down the river into private hands without much consideration and then perhaps half a century later people regretted that they had done so and could now do nothing about it. There are many examples of this sort of thing, if you look through the history of Canada, where people had reason to regret occasions when because of the illusory advantage of the moment they too hastily gave their resources away into private hands and then lived to regret it at their leisure.

What is the government asking parliament to do? They are asking us as public representatives to go to our taxpayers, the people

of very great importance in this house, and that is the sovereignty of parliament itself.

In the last few days a great deal has been said about some of the danger to the democratic procedure in this house and to parliament itself. So far as the opposition members are concerned, at times it may appear as if we have become overexcited on this issue. But let me say, Mr. Chairman, that if the hon. members who are now sitting on the other side and who are supporting the government found themselves sitting on this side of the house, as no doubt they will in due time, and if they were told that on an important issue such as this, which involves the expenditure of about $130 million of the Canadian taxpayers' money, they were not going to be able to take the time they required to discuss the issue properly, to inquire into all the details and to come to a sober and reasonable decision in the end, I am sure they would react with the same violence, perhaps greater, as has been witnessed in this house in the last few days.

Let me also say this. I address myself particularly to the private members on the other side of the house, for many of whom I have a great admiration. What has taken place in this house in the last few weeks has not been a credit to them because, even if they may feel obligated to support the measure that was brought into this house by the Minister of Trade and Commerce, they have no excuse whatever for allowing the government to ride rough-shod over the ordinary procedure of this house. Not only have they been a party to the attempt to break practically every rule in the rule book, but the abject obeisance with which they burned incense at the feet of the Minister of Trade and Commerce has come mighty close to breaking the first commandment.

This is confirmed by some of the statements that have been made in the heat of this debate by members of the Liberal party—when they are read in *Hansard* in more sober moments —by members of the Liberal party who, after all, have a great responsibility, because it is by the grace of the private member sitting on the Liberal side of the house that this government stays in power. Let there be no mistake about that. The government as a government has no status in this house. It is merely the temporary trustee of the public treasury. It is the members who support that government, or are willing to support it as long as they think the government is right, who give the government the power that it has.

Let me say that some of the things that they have done and some of the things they have said lead us to ask the question whether they believe the a.b.c. of Liberalism has now gone down to arrogance, bribery and corruption? Mr. Chairman, the newspapers across this country have taken up this question of what has happened in the house. I am glad to see that even a newspaper like the Winnipeg *Free Press* in my own province which ordinarily supports the Liberal cause has had some very strong words to say about what has happened in this house. In a recent editorial they quoted a speech made by the leader of this group in which he referred to what had happened here as "an abomination". In commenting upon that and in agreeing with my leader they add to that:

> It is an abomination to the heart of every man of every party who cares for free discussion and democratic institutions.

Then they go farther than that, as do other newspapers, and point out that one of the greatest sins has been committed by the the government. I am referring to the procedural wrangle we have had. That has been not only because the government has sought to ride roughshod over the ordinary procedures in this house but because in their very statements which are on the record they have either deliberately or otherwise sought to mislead this house and particularly to mislead the opposition.

The Minister of Finance, who I see is in his place, speaking in the house on May 7, said these words:

> It seems to me that when the present resolution on the order paper with respect to Trans-Canada is called for discussion, every avenue of discussion with respect to the building, the financing or the like is open to opposition members . . . On the Trans-Canada resolution all these things can be said.

Those words appear at page 3613 of *Hansard*.

The Minister of Finance was making that statement in order to prevent a discussion which had arisen and his statement was to the effect: "Why discuss it now? When we get to the resolution stage in this house you will have all the time you want to discuss whatever details you want to discuss."

Mr. Harris: I did not say that.

Mr. Zaplitny: That is the only interpretation you can take out of this statement. Certainly there was no hint whatsoever that there was going to be a time limit or that closure would be announced. The minister gave the opposition reason to believe in so many words that if the discussion which arose at that time were postponed then when we reached the normal resolution stage in the ordinary course of events hon. members of the opposition would have all the time they required to examine every part of that resolution. That was the statement.

away from anything personal and I shall always do so as long as my constituents allow me to stand in this house. I have been amazed, though, to find that he has become, even though he does not have a law degree as I understand it, the senior partner of a firm the junior partner of which is the hon. member for Kamloops.

Mr. Pallett: And a very good firm it is, too.

Mr. Bell: You could not even carry the law books.

Mr. Richardson: Mr. Chairman, I really thought that we as men who try to solve the real national problems of the country would get beyond what people in my profession call the pettifogging techniques.

An hon. Member: Of democracy.

Mr. Richardson: On that somewhat sordid and sombre note I close, Mr. Chairman, but I do not close before I say this. I ask myself only one question.

Mr. Stewart (Winnipeg North): You will get a damned silly answer.

Mr. Richardson: Yes, Mr. Chairman, if I relied upon that hon. member I would. I am satisfied that this measure before us is one that is important to this country; that no great question of procedure should dim our view of what are the real facts of the matter. Number one, most of the country wants this pipe line; most of the citizens of Canada will be grateful when we have it, and when we go to the country—

Mr. Rowe: You will never come back.

Mr. Richardson: —they will be glad that this party put it into effect.

Mr. Zaplitny: Mr. Chairman, this has been a great debate up to this point at least. We have had just about everything that could be desired in a great debate. We have had a certain amount of humour, of pathos and even of near tragedy. When I see the hon. member for Eglinton back in his seat I see with what sweet sorrow he wears his crown of thorns and I ask myself, has parliament come to this? I say we have come to near tragedy because I think it would be a supreme tragedy, Mr. Chairman, if in the heat of this debate, in the cut and thrust of the charge and counter-charge that we have heard, the real issue were lost sight of. There is that danger, and that danger is all the greater when we realize that the time of this debate is limited by the threat of closure from day to day. Therefore, I should like to devote whatever time is left at my disposal this evening to what I consider to be the real issue in this debate.

In my opinion, what this parliament must be concerned with chiefly is the protection of the public interest in this matter. We may have differences of opinion about the method by which the pipe line should be built. There may be differences of opinion on many things, but I believe it is the duty of every hon. member who is sent here by the citizens of this country to see to it that the national interest and the public interest are protected by the action of this parliament. That is one of the reasons why I for one have been deeply concerned and anxious over what has taken place so far because the government is trying to put the opposition in the position of being the party which, in their view, is obstructing or preventing them from doing something.

We know, of course, that this is not a new subject in this house. We know that the government has had this question of a gas pipe line across Canada under consideration for almost five years. We also know that in 1951, when this question first came before the house and Trans-Canada Pipe Lines applied for their charter, the leader of this party and other members told the house and the country at that time that if we were to have a gas pipe line across Canada which would be in the best interests of the Canadian public and which would protect the public interest and the national interest, then it would have to be a publicly owned pipe line. If one reads the record carefully he will see that everything that has taken place in this house in the last two weeks indicates that the stand taken by the C.C.F. five years ago was the correct one. I believe it will not be very long before the government and those who are so vociferous in supporting the government on this particular bill are going to find themselves in that very position. I would advise my Liberal friends at this point not to come out too rabidly against the idea of a publicly owned pipe line because if they do they will have that much more to live down and that much more to take back when they come back to this house and ask this parliament to endorse a publicly owned pipe line. In my opinion it will not be very long before they will be back for that, if they are still here. That is the central issue. That is the desire of this group and for the last five years we have tried to protect the public interest by making sure that this monopoly—and that is what it is going to be; that has been confirmed by speakers on both sides of the house—shall be owned by the public and serve the public in order that the consumer in Canada will get a break. It is because of that fight that we have had this side issue that has loomed to the proportions

Mr. McCullough (Moose Mountain): I wonder if the hon. member would permit a question?

Mr. Richardson: Certainly.

Mr. McCullough (Moose Mountain): Just a few moments ago the hon. member for St. Lawrence-St. George made the statement that the leader of this party had made the statement yesterday that Trans-Canada Pipe Lines was the only company which was in a position to build this pipe line. I challenge him to read that statement.

Mr. Hees: That is what you said.

Mr. Richardson: Just a moment; I shall deal with that in my own time. I have recalled—

Mr. McCullough (Moose Mountain): Just as responsible as some of the other statements you have made.

Mr. Richardson: I have recalled for the benefit of hon. members and myself section 49 of the British North America Act. I also put on the record, because we have gone back on the other side hundreds of years to put quotations upon the record—Cromwell was put before us about 10 days ago and the hon. member for Prince Albert made some old quotations today—a quotation from Magna Carta.

Mr. Hees: Here comes Walter, so you had better shut up. Take my tip and sit down if you want to be a parliamentary assistant.

Mr. Richardson: Mr. Chairman, I have heard that the hon. member for Broadview has his own particular personal ambitions, and that is quite all right.

Mr. Hodgson: Well, that is settling yours right now.

The Deputy Chairman: Order. I think perhaps the time has come when I should remind the committee that the hon. member who has the floor should be permitted to speak. A certain amount of interjection, of course, is regarded as part of the cut and thrust of debate, but there is a limit.

Mr. Hodgson: Two minutes overtime right now.

Mr. Richardson: If the great party of martyrdom does not want to hear Magna Carta, it is all right with me.

Mr. Knowles: Give us habeas corpus.

Mr. Richardson: I still propose, because I think it is a historic document, to give the quotation. I am sure that I have some friends within this house somewhere, probably in that corner; some I think in that corner; some in the centre there, and a good many right on this side,—

Mr. Hees: Do not forget Walter to your right.

Mr. Richardson: —who will still listen to a document to which this parliament owes some allegiance. Section 49 of Magna Carta reads thus:

> In all those things which are appointed to be done by these 25 barons, if it happen that all the 25 have been present and have differed in their opinions about anything, or if some of them who had been summoned would not or could not be present, that which the greater part of those who were present shall have provided and decreed, shall be held as firm and as valid as if all the 25 had agreed in it.

Mr. Knowles: Is there anything about closure in Magna Carta?

Mr. Fleming: Was that not before there was a parliament?

Mr. Richardson: You can continue to waste my allotment if you like, and I shall not complain. Perhaps that is one of the penalties and one of the virtues of legislative assemblies in which we give at least lip service to free speech.

An hon. Member: You said it.

Mr. Richardson: I had thought, Mr. Chairman, that all of us came here, and I do not doubt that we have, with great respect for the oath that we have taken. Do not let us be childish at all times. I am not trying to lecture anyone any more than myself. Within the country, in the galleries, at various places tonight throughout this country people are thinking, what are the 264 men, our representatives, doing in parliament? We shall have to come, sooner or later, to make a decision upon this question.

Mr. Ellis: Not knuckling down to one man.

Mr. Richardson: I do not, even as the hon. member for Regina City has suggested, knuckle down to one man or any number of men except those who have allegiance to the country, who have loyalty and are conscientiously trying to do the best they can under many difficult circumstances. Let some of those who bray so loudly come over and sit on the front benches. They are never likely to have that opportunity, but when they come, Mr. Chairman, they will go into the silent places to ask good Providence to sometimes ask the men who have differing opinions to hear them out and try to see if, as common, decent Canadian citizens they cannot do the right thing for this country.

The hon. member for Winnipeg North Centre has been very kind, as he usually is, to me. I have tried to keep my remarks

and I think they have two other members from two other provinces. Therefore I submit, Mr. Chairman, that that side of the opposition has not very much of a mandate at this moment.

Mr. Knowles: If the hon. member's arguments are not any better than his arithmetic he had better revise them.

Mr. Richardson: I will take a moment or two, then, to give you the arithmetic. I think you have 22 members in the house. We will say that you have 23 members perhaps. Six of those 23 members were elected on non-minority votes.

Some hon. Members: Oh, oh.

An hon. Member: How many Liberals were elected on minority votes?

Mr. Knowles: On that argument the whole Liberal party should resign today.

Mr. Fleming: The government is a minority government.

Mr. Richardson: Mr. Chairman, the point I am making on the question of public ownership is simply this. Those 22 or 23 members who sit in the house represent, according to the votes that were polled in the election, a minority of the electorate. They polled something in the neighbourhood of 200,000 votes out of how many votes throughout all of Canada? Therefore my proposition is this. Those who argue against this particular proposition at the moment on the ground of public ownership—and I am not against it at the proper time—speak, in my humble view, for relatively few of the people of Canada from the east to the west.

Mr. Hees: You will find out.

An hon. Member: And he speaks against closure.

Mr. Richardson: Somebody has raised the question of closure. I will speak about that.

An hon. Member: You people raised it.

Mr. Richardson: I as a member never interrupted any member on the opposite side except, as I understand it, within the bounds of courtesy. If hon. members opposite do not wish to extend courtesy to me, it is perfectly all right with me.

Mr. Rowe: Go ahead.

Mr. Richardson: As this debate has gone on, Mr. Chairman, I have been thinking how many members on the other side have risen and with a great flow of rhetoric have spoken about the rights of democracy. It is a very simple proposition, as we shall see if we come back to earth. I heard my friend the hon. member for Prince Albert today. I heard the Leader of the C.C.F. party last night. I heard him make two or three interjections. For myself as a member of this house I was really amazed that we could get into the attitude of high school children.

Some hon. Members: Oh, oh.

Mr. Rowe: So were we.

An hon. Member: How long have you been here?

Mr. Richardson: Not very long but I will probably be here long after you have departed.

Mr. Hees: You hope.

The Deputy Chairman: Order.

Mr. Knowles: I hope the hon. member realizes that he is addressing the Chair. That last remark was addressed to the Chair.

Mr. Richardson: Mr. Chairman, I will stand up here for the time allotted to me and if those gentlemen on the other side, in concerted action, want to interrupt me, it is perfectly all right by me. I want to come to a point that evidently most of us in this house have forgotten, namely, that our constitution is the British North America Act. On several occasions while members on the other side have been speaking, while they have said they were directing their thought and time to a proper consideration of this bill, I noted that they have spoken about almost everything they could speak about and still be on their feet, and that not one of them has referred to a cardinal principle in our British North America Act. It is there. Let me put it on the record. It is the basis upon which you and every one of us in this assembly have the right to rise as free men in a democratic group.

An hon. Member: No, we have not.

Mr. Dufresne: This sentence is in the wrong debate.

Mr. Richardson: Mr. Chairman—

Mr. Hodgson: You know you are telling us an untruth.

Mr. Richardson: —no matter what the murmuring may be after I read it, let every one of us, including the speaker who is now on his feet, when this session closes tonight go into his chamber and read again and thoroughly digest this section which I recall for every one. The section is section 49 of the British North America Act. It reads:

> Questions arising in the House of Commons shall be decided by a majority of voices—

If this assumption is even only reasonably fair, may I call a committee tonight, and I shall bring witnesses before that committee in the next 12 or 13 minutes. Certainly members across the way will disagree with me, but bear me out. First, I bring as a witness to this committee the premier of Alberta. I do not propose to be repetitious, but to my simple mind—

An hon. Member: I'll say.

Mr. Richardson: You can say what you like about my simple mind, but bear me out. I have heard that the premier and the people of Alberta want this gas transported out of the province as soon as that can be done. That is my first witness. The second witness I bring before the committee is the premier of Manitoba. If he were here he would say, as we have heard from the records already produced in the house, that the people of the great metropolitan city of Winnipeg and the people of the province of Manitoba want to receive natural gas as promptly as they can. I bring again to this committee, this group of 264 here in which we can allocate little groups of 20 men in that part of the house, 20 in another part and so on. I bring the next witness before this committee, namely the premier of Ontario and his provincial treasurer.

An hon. Member: I thought so.

Mr. Richardson: That is right. I am glad you had the time to have a thought. If my friend the hon. member for Broadview—

Mr. Hees: It was not I.

An hon. Member: Get it right.

Mr. Hees: Get your bifocals straight.

Mr. Richardson: If the opposition supporters or my friend the hon. member for Broadview would want to bring to this committee the premier of Ontario and the provincial treasurer of Ontario, they could not say any more than what they have already said in the matter of urgency. That is the affirmative side of the matter. What is the negative side apart from what we have heard in this debate so far? Have we really heard from those parts of Canada on the periphery, British Columbia or the Atlantic provinces, or from the province which I have the honour to represent any great outcries against building this great national project? None at all. Then I suggest that in the evidence of these witnesses that we bring before this committee we have heard—

Mr. Hees: Let us have the committee first.

Mr. Richardson: I have put before you the committee.

[Mr. Richardson.]

Mr. Hees: No. You will not bring the committee because you have not the nerve. Stop talking hypothetically and bring the committee.

The Deputy Chairman: Order.

Mr. Richardson: I am satisfied—

Mr. Hees: You are satisfied with yourself.

Mr. Richardson: Even with the hon. member for Broadview constituting himself as one member of this committee, I am satisfied that this committee of 264 members is adequate and sufficient for the purpose.

Mr. Hees: We have everything but the witnesses.

Mr. Richardson: Mr. Chairman, I submit that is the first proposition or the first assumption. Second, an amendment and a subamendment have been put before us. Let me deal briefly with them. I heard the leader of the C.C.F. party last night say that while he disagreed with this matter being made a matter for private ownership, he believed that this company about which we are now speaking was the only one that could do the job. Therefore, in the opposition against this proposition that the government have put forward, the opposition itself is divided. It is divided because on one side they do not want private ownership. I will agree with them that as a thesis it is all right and I will deal a little bit now with that point.

First of all may I say that as a member of the House of Commons or as a citizen of Canada I am not afraid of public ownership. If the day comes when this operation should be under public ownership, I shall not rebel against it. In our economic life there are many areas that require public ownership. It may well be that this will be one of them. If that is the case, I have no doubt that the present government being then in power, as it will be, it will be adequately operated; and even if by some miracle the present government were not in power I would be satisfied for some at least on the other side, if then in power, to run it under public ownership.

But the point I want to make here is that one group on the side against this proposition are dead against private ownership of any kind. Whom do these spokesmen for public ownership represent at this moment? We have heard it said, Mr. Chairman, that we have no mandate for this proposition but that they have a mandate. Yet if you look at the record of those who have been elected, Mr. Chairman, you will see that half of them come from one province. I think they have one member from Nova Scotia. They had one member, recently departed, from Ontario

consumer is going to pay. No one knows anything at all, and yet the government want us, the people of Canada, to put money into a thing like this. I would not touch it with a 10 foot pole. With the small number of contracts secured we do not know how long it is going to be before we are able to get the cost out of it, and no one seems to know. That is the funny part about it. No one seems to know what is going to happen. Of course the people of Canada are not going to get a chance to vote on it.

My thought about the matter is just this. If the line cannot be financed by Canadian private enterprise then let the government construct it part by part on a good sound business basis. That is the way it should be done. Why not go directly from A to B, leave out the United States millionaire and do it, as I said, on a sound business basis? Why does this pipe line have to be started today and started in such a haphazard way? Who is yelling for gas in Canada right now? What industry?

An hon. Member: Premier Frost.

Mr. Rea: You have not read what he has said. He says that they do not need any gas until 1963. We all know who are doing the yelling for gas and who are short of gas. It is the people south of the border. There is no question about that. Murchison and Company do not give a darn about Canada. All they are concerned about is making money out of selling gas. If we have a surplus of gas, by all means sell it to our neighbours but let us not sell it on a long-term contract with low prices because they are going to need that gas very badly in a few years' time.

To me as an ordinary businessman this whole bill smells bad. It smells of poor security. It smells of sudden and unexplained haste. It smells of mystery and intrigue. It also smells of expensive perfume on the hands of millionaires reaching out to grab money from the little Canadian taxpayer.

Mr. Richardson: Mr. Chairman—

Mr. Fulton: Here is St. James street.

Mr. Richardson: Mr. Chairman, it sounds rather strange in this end of the chamber to hear a member from one of the Toronto constituencies rise in his seat as a member of one of the great parties of Canada, the Conservative party, and heap abuse upon these men who, whether with white collars or by their hands, have made some wealth in this country. I do not stand, Mr. Chairman, as other than one member among 264 other members in this House of Commons, and if I may have the indulgence of the house for a few minutes I should like to speak briefly. I shall be brief because so far as I am concerned, as I said in the first speech I made after entering this house as a new member, I do not need closure to keep me within a 20 minute time limit. I think that on most issues most of us who try to bring a note of seriousness to the matters that are brought before this, the great forum of Canada, should, except for the leaders of each of the parties, be prepared to discuss these matters within a period of not more than 20 minutes, and that I propose to do now.

First of all, if I heard the Leader of the Opposition correctly earlier this session and if I have read *Hansard* right, I understood him to say, and on this I think we are all in common agreement, that the pipe line should be built within Canada and that it should be controlled within Canada. Second, my understanding of all that I have heard, and I have listened diligently all through this debate, is that the line should be built as soon as possible. There may be some disagreement among us as reasonable men as to the proper time for the building of a great national undertaking. I suppose that all those who enter public life, and I am only a novice at it, acquire a certain amount of partisanship sooner or later and it stays with some more fully than others, but I suppose that in the area of party politics there may be reasonable disagreement between us as common-sense reasonable people as to when that time should be.

Members of the opposition have said to the ministers on the front benches, and rightly so, I submit, that the line should be built now, and that is the opinion of the cabinet at least. Members of the opposition have said: Let us put this matter before a committee. I submit that it has been before a committee. First of all, it has been before a committee of this very house, the cabinet. I am not one to say that the members of the cabinet are infallible, not at all. I stand here not necessarily as the member for St. Lawrence-St. George but, as I read the books, as a member of the whole Canadian parliament from east to west and from the north to the border. What does that mean to me as one member? It means, whether I sit on this side of the house or on the other, that I have to make certain assumptions.

One assumption that has to be made by every hon. member of this house, I submit with great respect, is that those members on the treasury benches tonight, those who have occupied the front benches since 1867, have had as much loyalty to this country and to the people at large, have had by and large as much information and have had as much integrity as any other 20 members among any of the 264 members of this house.

It will be a great changeover. It might be all right in a new area where the houses are just going up and these things have not been bought.

It seems to me as though the Social Credit party, which has reverted to a strictly provincial party and is no more a dominion party, along with the Alberta government and with this Liberal government have only one thing in mind—let us get this gas out of Alberta by any way we can; get it the heck out of Alberta, we do not care who pays for it, we do not care if we take money from the little taxpayer in Canada, get the gas out of Alberta. That is all they want; they do not care who is going to pay for it. Canada is going to have to use 300 million cubic feet per day. Who is going to use it? All these oil wells in Alberta are owned by multimillionaire oil companies which have made millions of dollars out of oil. Gas is just a by-product and now they want the people of Canada to help them make money out of that by-product.

Now for a few minutes let us talk about the "Trans-we can't raise the money-Canada Pipe Lines Limited." These poor little millionaires. Maybe they are broke. We know that they have broken every promise they have made since 1951. No doubt they have broken so many promises between themselves that they do not trust each other to put up the money. Let us look at the shareholders in Trans-Canada and analyse them for a minute to see who they are. Here is one called Tennessee Gas Transmission Company. I looked them up in Standard and Poor's, which is the United States book which tells you all about companies, and I find that this company has a total invested capital of $798 million. Let us take a look at International Utilities Corporation. Their total invested capital is $87 million. They are getting to be a poor company. Now we come to Canadian Delhi Petroleum Company, which has assets of only $8,250,000.

Now let us take one of the shareholders, Mr. Clint Murchison. Oh, boy, there is a man for you. He owns directly or indirectly and controls directly or indirectly—I shall name only some of the companies because it would take four years and a Philadelphia lawyer to find out everything he owns—companies such as the Investors Syndicate of the United States and Canada which has total assets of $1,250 million. Here are three life insurance companies which he controls, the Midland National Life Company of Watertown, South Dakota, the LaMar Life Insurance Company of Jackson, Missouri, and the Atlantic Life Insurance Company of Richmond, Virginia. Those companies have total assets of $142 million. I am not even mentioning American Airlines to which the minister referred. These I have mentioned give a total of $2,285,250,000, and yet they cannot raise $82 million. I cannot understand it.

An hon. Member: They come to Canada.

Mr. Rea: Certainly, they come to Canada. I do not know whether hon. members have ever listened to the T.V. program called "Person to Person" put on by Ed Murrow. Once a week for a half hour he goes into two different homes, 15 minutes each. He will visit the home of a movie star or someone who is well known. Last fall he visited the home of Clint Murchison. The television camera took you all through his house and you met his family and so forth. While this was going on Mr. Murrow kept up a running commentary with Mr. Murchison and one question he asked was this: "Mr. Murchison, is it true that you do not put up your own money on a lot of these deals you go into?" Clint came right back with, "Not unless I have to." There is a promoter for you. He always looks for sucker money to complete the deal. He believes in never putting up your own dough.

An hon. Member: As long as the government will put it up for him.

Mr. Rea: So he comes to Canada to take the hard-earned money of our working people so he can go into business and make a profit.

We have heard the initials "C.D." pushed around here a lot lately, but I wonder if hon. members know what they stand for—"Closed Debate". After listening to the Minister of Trade and Commerce I have come to the conclusion that the federal power commission certainly need a man like our Minister of Trade and Commerce. The Prime Minister ought to let the Minister of Trade and Commerce go to Washington. He would put closure on that deal and get it through some way. We would find out where we stood down there. There is no question about that. I also wondered whether, when the minister was visiting Murchison's ranch and wandering around shooting turkeys in Mexico—

An hon. Member: Crap.

Mr. Rea: —he sized up the place and has it in mind as good security if they do not pay what they owe. I have been in the mortgage business for a long time and I can tell you that the deal before us right now is one with respect to which I can easily understand why these people do not want to put their own money in it. No one seems to know how long it is going to take to amortize the cost of the project, as the hon. member for St. Paul's mentioned today. No one knows what the

or five of the provinces in this country—before that can be done. That is something, of course, similar to the wish of the Leader of the Opposition to turn this matter over to a committee, which would delay the building of the western section of the pipe line this summer. I submit that from the arguments we have heard presented to the house the urgency which has been stressed has been proven, and consequently if you are going to have a commission set up or if you are going to turn it over to the provinces, as my hon. friends would suggest, it will mean a further delay in the pipe line, and surely that is not desirable at this point, Mr. Chairman,

We have heard a great deal about the so-called "iniquitous" arrangement concerning the western section of the pipe line being built this fall. Well, Mr. Chairman, it seems to me if the government of Canada is going to lend up to $80 million to build a pipe line there is a great deal to be said for that. The $80 million, which is the maximum amount, must be paid back by April 2, 1957. Now, if this section of the pipe line is built this year and if Trans-Canada can meet its obligations by April 2, 1957 the Canadian people will get back $80 million plus interest at 5 per cent. On the other hand, Mr. Chairman, if Trans-Canada does not meet its obligations, the government by bringing in its mortgage against all Trans-Canada assets will be getting the line. First of all the line will be built this year and secondly the government will be taking over the line at 90 per cent of the cost. As the Minister of Trade and Commerce has said, certainly that would seem to be a good deal for the Canadian people. There is certainly no subsidy. This is an investment in western Canada. As I say, the Canadian people are not going to lose in any way and we are going to have the pipe line built this year in the west.

Finally, I think some of my hon. friends in the Social Credit group mentioned that the pipe line will be a development for the whole of Canada. It has been estimated that the whole development of the pipe line is going to mean an investment of about $1 billion in Canada. Of course, that is tremendously important. In Alberta alone a brand new petro chemical industry is going to be established. I understand there is already a petro chemical industry in Alberta but it is going to be greatly expanded.

Before the gas can go into the pipes it must be made dry and as a result of that process there are several by-products which result. These include butane, ethane and propane. I understand that Polymer of Canada alone will use half a million barrels of butane every year. Therefore, Mr. Chairman, one can quite readily see the tremendous development which is going to take place in the province of Alberta. Not only is the province of Alberta going to be assisted but, as was pointed out, in my own province of Ontario in which I am primarily interested the power shortage will be corrected. It is going to help industry in Saskatchewan, Manitoba and in northern Ontario and therefore I submit, Mr. Chairman, this pipe line is something that is going to be good for all of Canada. We have to look above any sectional interest in dealing with this matter. If it is going to help Alberta and Ontario it is also going to help the maritimes and Quebec. I would urge—

Mr. Bell: How is it going to help the maritimes?

Mr. Hollingworth: I would urge all hon. members, regardless of their differences to support this measure because this is something for the benefit of all Canada. So on with the pipe line.

Mr. Rea: Mr. Chairman, I think at the outset we can all agree on one thing. Alberta has a surplus of gas and there are other parts of Canada which want to use it. The natural thing to do is to bring those two factors together. I think we will all agree on that. But I am a little bit, in fact I am more than a little bit, I am greatly concerned about the method of bringing this gas from Alberta to other parts of Canada.

We have heard a nice speech by the hon. member for York Centre who has said that this gas is going to help industry. You can just see factories blooming up all over the place. However, no one has stopped to tell those industries what the gas is going to cost. I know if I were going to build a big factory I would certainly want to know what the gas was going to cost me. But no one seems to know.

They picture bringing the gas across the country to the edge of a town, and then what happens? Who is going to pay for laying pipe down the streets of that town? One house may want to buy gas but other houses may not want the gas. Somebody is going to have to do it. That town will find its tax rate will start to go up. They will have this gas at the edge of the town but someone will have to distribute it.

No one knows whether it is a good thing for a housewife to change her electric stove for a gas stove, to change her electric refrigerator for a gas refrigerator, to change her oil-burning furnace for a gas-burning furnace. No one has come out with that information in an effort to try to sell the consumer.

the province of Alberta; they have the necessary contract; they have the necessary technical know-how; and they have the necessary organization which is so vitally important to a tremendous undertaking of this kind.

We have heard a great deal in this house about United States control. As a matter of fact, it is my submission, Mr. Chairman, that the opposition have brazenly and irresponsibly distorted this whole question. We heard a long speech from the Leader of the Opposition yesterday to the effect that 51 per cent of the shares were not going to be issued to the public of Canada. We then heard the Minister of Trade and Commerce say, as he said on numerous occasions, that 51 per cent of the shares would be issued to the Canadian public. Mr. Tanner, president of Trans-Canada, has reiterated that on many occasions. But the important thing, Mr. Chairman, is the fact that this pipe line is being built entirely in Canada. Now, of course, hon. members opposite do not have to take my word as to the importance of that score. I will read from what should be an unimpeachable source to them; namely, the premier of Ontario. Premier Frost says, and I think it is worth repeating:

> In addition to what has been said about the control of this company, whether the Canadian shareholders have the opportunity to take 51 per cent of the stock, or anything of that sort, the fact of the matter is that the construction is in Canada, wholly within the jurisdiction of our country, and is subject to the legislative enactments not only of the government of Canada, but of the provinces through which it passes. That in itself is the real essential of control.

I repeat:

> That in itself is the real essential of control.

It strikes me that the Leader of the Opposition, with due respect, knows very well regardless of how many shares are issued to the Canadian public, as has been pointed out in this house, there is no guarantee that this pipe line will remain entirely in Canadian hands unless the government builds the pipe line, of course. He knows that very well and why he took up the time of this house yesterday to go into a long and detailed explanation concerning the 51 per cent, Mr. Chairman, I do not know unless it was his intention simply to waste time.

Another point about Canadian control, as the Leader of the Opposition very nicely pointed out yesterday, is that under section 151, part III, of the Companies Act a majority of the directors must be British subjects resident in Canada. That is important and it was extremely interesting to me that the Leader of the Opposition mentioned that point. I think that also constitutes Canadian control. It shows that this company is subject once again to the laws of this country

and, as Premier Frost said, it is subject also to the laws of the different provinces through which the pipe line passes. This pipe line is running through Canada. It is subject to Canadian laws and Canadian jurisdiction and Canadian export permits. It is entirely subject to Canadian control and I do not think we can point that out too often in this house.

Now, Mr. Chairman, I come to the point of public ownership. I at least concede that my hon. friends opposite in the C.C.F. are consistent. At least they have some logic to their position. However, when I hear my hon. friends in the Conservative party talking about Canadian capitalists building this line I think sometimes they are speaking with their tongues in their cheeks.

Why should we not build this pipe line under public control? I think the Minister of Trade and Commerce has pointed out the nub of the matter and I think there are three compelling reasons why it is not practical, reasons which militate against the building of this pipe line under public ownership.

First of all, I might say I am in favour of any form of public ownership where there are conditions of complete monopoly, and when I say that I am talking about a public utility where there are conditions of complete monopoly. But here, surely the situation is different. First of all the government would be dealing with producers in Alberta and private interests at one end and with consumers in Ontario at the other, through private interests like the Consumers Gas. Surely it would put the government in a most unenviable position if it had to deal with people at one end who want the highest price and with people at the other end who want the lowest possible price. It is all right for my hon. friends in the opposition to say, "So what?". It certainly would be a most undesirable position in which to put the government unless it were absolutely necessary.

Also, we have the matter of competition. We have the coal and oil producers in Canada. Surely the people in the maritimes would not like to have natural gas controlled by the government competing against the coal producers in Nova Scotia. I submit to my hon. friends opposite in all sincerity that is an extremely important argument against public ownership which makes it difficult to concede that public control is the best method of handling this.

Another reason, as Premier Frost pointed out in the Ontario legislature, is that if we are going to build under public ownership we are going to have to obtain agreements with several of the provinces—at least four

Mr. Pallett: They are not to individuals. Those loans are not made to individuals, as this loan is. That is a loan to a public body.

Mr. Winters: No, Mr. Chairman; they are to limited dividend companies.

Mr. Pallett: That is a limited dividend housing corporation loan, a non-profit organization. It is in effect the same as a government organization. Do not mislead the people with an answer like that. It is just another example of an attempt to mislead.

Mr. Brown (Essex West): How was the dinner?

Mr. Winters: He has not read the book.

Mr. Pallett: There is something that I should like to know. This government has not any money for municipalities. Oh, no, it has not any money for Canadians to help educate the people. It will not make money available to the municipalities so that they can keep the education standard at the height it is. Perhaps they feel that money invested in a gas pipe line is more important than money invested in Canadians as a whole. I wonder? The Prime Minister would not even see representatives of the university teachers federation when they came to see him. He refused to see them. This is, of course, a provincial matter.

Mr. Sinclair: Quite right.

Mr. Pallett: The education of Canadians is of no concern to this house; we will not make money available to the provinces so that they can pass it down to the municipalities to educate their children, oh, no.

Mr. Sinclair: The sum of $450 million a year.

Mr. Pallett: The Prime Minister says, "I will not even see these people when they come to see me". Clint Murchison, that is a different matter. Let us have a couple of answers to some more questions on the pipe line. Is this an economically sound scheme? The minister has not said so. Let us have an answer from the minister. Is it economically sound?

Mr. Hodgson: From the Prime Minister.

Mr. Pallett: Or from the Prime Minister. The Prime Minister does not deign to speak. If it is an economically sound scheme, let us be told. Let us know what we are getting into. There is a very strong suspicion that the reason the interest rate is 5 per cent is that there are 5 percenters working in Ottawa as well as in Washington. Let us have the answers to some of these questions. If the Prime Minister is doubtful about what the Canadian people think about this scheme, why does he not accept what he said previously and just go to the country on this matter. If it is such a good scheme and we think it is such a bad scheme let the jury of this country decide it.

Mr. Hollingworth: Mr. Chairman, I should like to participate briefly in this debate. I think the whole crux of the matter is time. Time is definitely of the essence. I congratulate the Minister of Trade and Commerce on putting his finger so succinctly on this point. To turn a Shavian phrase, those who can, do; those who cannot, talk. The minister belongs to the first category. Let not hon. members opposite forget that the hand at the throttle of this buoyant, bursting Canadian economy in the last 20 years has been that of the Minister of Trade and Commerce. His detractors should hang their heads in shame.

Mr. Chairman, I am a representative from the province of Ontario. No less a person than the provincial treasurer, the Hon. Dana Porter, when speaking in the Ontario legislature on Tuesday, February 21, had this to say:

> It is not only desirable, but is an absolute necessity that every possible provision be made for access to the people of this province to an abundant supply of natural gas.

Hon. members know that industry is expanding rapidly throughout the country, probably in no place more than in the province of Ontario. We need gas, Mr. Chairman. The provinces of Saskatchewan and Manitoba need natural gas and the minister and this government are determined that the people of Canada shall have natural gas and have it now.

Mr. Castleden: Parliament or not.

Mr. Hollingworth: Hon. members have heard the Minister of Trade and Commerce say that Trans-Canada is the only possible vehicle to give it. This company gambled and took an option on pipe last fall, $40 million worth of it, and have an option until the end of this construction year. If this option is not exercised the requisite steel will not be forthcoming for a couple of years. It is all right for the hon. member for Peel to talk and say that we have steel pipe in Canada, but he did not substantiate his charges. As a matter of fact, I understand that there is one company in Canada which will be manufacturing 30-inch steel pipe by the end of 1957. But it will be a 30-inch steel pipe and not the 34-inch steel pipe required for the western section of the pipe line. Furthermore, it appears that Trans-Canada have the necessary government permits from

you will not know how to handle when you get it if you have not got the personnel to look after it.

An hon. Member: We will hire you.

Mr. Pallett: What assurance does the government have from this unnamed corporation, as some other speaker has asked, that they will build this missing link from Winnipeg to the Ontario boundary? We have the northern Ontario section all set up; we have the Winnipeg section set up, but what is going to run in between? Are they going to come back with their hat in their hand and say, we set a date of June 7 before, but not this time. We need another $70 million or $80 million to build that missing link. Is there a performance bond filed anywhere? Even in the simplest contract they usually require something of that sort.

What is the population figure for the people who are actually going to be served by this pipe line in Canada? How many people are going to be served by the first link, the missing link and the northern Ontario link? Let us have the numbers.

Three weeks ago the minister said they suddenly found that this company could not borrow money. He sits in this house beside the Minister of Finance who dictates the financial policy of this country, but the two of them cannot get together so that this company can borrow money from private sources. It is a sorry sight to see that.

Mr. Hodgson: Why borrow it when the government will give it to you?

Mr. Pallett: Why borrow it when the government will give it to you? A very wise statement. Let us have the answer to the question of how much gas is going to go through this pipe line. How much is going to be needed by the people of Canada?

An hon. Member: It is all broken down.

Mr. Pallett: Show me on *Hansard* where it is. I do not want some representations by this company whose word, according to the Minister of Trade and Commerce, is no good. Let us have it from the minister himself. What pipe has been ordered from Canadian companies? The minister suggested that there is no company in Canada capable of making 34-inch pipe. I could tell him the name of one.

Mr. Howe (Port Arthur): Give us the name of the company.

Mr. Pallett: Within 14 miles of my home town; you had better familiarize yourself with what is going on in this country.

Mr. Dickey: Put the name on the record.

Mr. Pallett: Anybody who knows anything about rolling pipe knows that a 34-inch pipe is the fatherless son type of pipe. It goes 18-inch, 24 and 30. I wonder if somebody is stuck with some steel somewhere and wants to get rid of it? I do not know.

Mr. Howe (Port Arthur): Mr. Chairman, my hon. friend claims to know everything. He said he could tell me the name of a Canadian outfit that makes 34-inch pipe.

Some hon. Members: Name the company.

Mr. Pallett: I think it is only fair that we should have a little tit for tat and if the minister will answer my questions first, I will answer his.

Mr. Dickey: Welcher.

Mr. Pallett: What is the full cost of running this pipe line? Do you know what the estimated cost is? How much is it going to cost to operate it? What is the cost of operation from Alberta to Winnipeg and then on? We do not know. Let us have the answer. We may have to take over this pipe line and we want to know something about running it.

Mr. Langlois (Gaspe): Who wrote that for you?

Mr. Pallett: Well, my friend, I can read it, which is probably more than you can do. There is one question that I think affects pretty well every Canadian, and it should be answered. Why is money being made available to this unnamed company at 5 per cent when national housing loans to Canadians are at 5½ per cent and the industrial development bank interest rate to Canadian companies is not anywhere near 5 per cent and Canadian money going through the Canadian farm loan board to Canadian farmers is only guaranteed at 5 per cent up to the end of this year? The suggestion is that it will be higher. Why do we lend money to Americans at a lower rate of interest than we are prepared to lend it to Canadians? I might also add that the percentage of the loan is higher. A 90 per cent percentage loan is higher than any National Housing Act loan on the books. The government will not authorize loans to Canadians higher than 60 per cent of the over-all National Housing Act loan.

Mr. Winters: The loans to limited dividend companies are 90 per cent.

Mr. Fleming: On your evaluation.

Mr. Pallett: Since the Minister of Public Works deigned to interject, what about the rate of interest on those loans?

An hon. Member: What terms?

Mr. Winters: Three and three-quarters per cent, Mr. Chairman.

when this pipe line is constructed to Winnipeg, it is not going to be taken down to Emerson? What assurance is before the house?

An hon. Member: That is not what McMahon wants.

Mr. Pallett: Never mind what McMahon wants. Have we unqualified assurance that when this pipe line comes to Winnipeg, before it goes to Emerson, it will come across into Ontario and Quebec? I have not seen it. I have read *Hansard* from the beginning and it is not there. There is no assurance.

An hon. Member: Nonsense.

Mr. Pallett: "Nonsense", the man says. That is the only speech he has made in this debate.

Mr. Hosking: The same as yours.

Mr. Pallett: I asked the minister last Friday on the orders of the day, what about atomic energy. I asked when is atomic energy going to be ready for the development of electrical energy. He did not know, he said.

Mr. MacDougall: No, do you know, John?

Mr. Pallett: He did not know. If I were the Minister of Trade and Commerce in charge of the resources of which he is in charge, I would know and I would get up and tell the house.

Some hon. Members: Oh, oh.

Mr. Pallett: Mr. Chairman, you do not have to go to the Riverdale zoo to see the hyenas. Now, I think that is a question that should be answered. I think it is of vital importance. When will we have electricity available that has been made from atomic energy sources? Let us have the answer. We have asked, but we have not got an answer.

An hon. Member: Ask Mr. Frost.

Mr. Pallett: They say, "Ask Mr. Frost." I might point out that in the last provincial government publicity release gas and atomic power for energy were used at the same time. If you people know how to read, which I doubt, you could have read it. If atomic energy is not too far off, is this pipe line being rushed so that as much gas as possible can be sold before we get into the atomic field?

An hon. Member: What is wrong with that?

Mr. Pallett: For the people of Alberta, perhaps nothing is wrong with that, but let us know.

An hon. Member: Is there anything wrong with Alberta?

Mr. Pallett: There is nothing wrong with Alberta, I agree with the members of the Social Credit party. But we should know that the principle behind this gas pipe line is to sell as much gas as possible before atomic energy is available. If that is the case, then perhaps the whole basis is wrong. Let us have the answer, so we can make up our minds about these things. Do not keep the iron curtain down, fellows. Let us get it up and have a look at some of these things.

There is one thing that I think is most important. Trans-Canada Pipe Lines, that is the company whose word apparently is not to be taken because the responsible minister in the house today said the statements they made were not accurate, has as a component part certain shareholders. Why have not those shareholders put up the money to build this line? Let us have an answer as to that. Why have not these shareholders bought more of the capital stock and put up the money themselves? I think we are entitled to know the reason behind that.

The next question is, who set this arbitrary date of June 7? Have you ever in your days seen a government let somebody outside set the date by which it must perform a contract? Usually the person comes to the government and says, "I should like this contract; I want to do business with you. Now, what date do you want me to perform by?" The government says, we would like you to perform by such and such a date and the private individual says he would be only too happy to do so. Did that happen in this case? Oh, no. Trans-Canada Pipe Lines company comes to the government and comes to the people of Canada and says, you must. I was in Belgium during the war and I was billeted there with a Belgian family who had suffered at the hands of the Germans. They said when you cross into Germany the only words you will use will be "Ich will, das muss, das soll." That is what Trans-Canada has said to this government, and that is what the minister is saying to the house.

Another question we should like answered is, what trained people are there in the minister's department or available to the government if the government ever takes over this line when the default is made? You have got a contract or you say you have a contract with an unnamed corporation. We have not seen the name of the corporation as yet. Remember, that has been denied to us. We do not even know the name of the corporation because of the use of closure tactics. We are assuming something. If this corporation defaults and you are obliged to exercise your powers under the terms of this agreement, what are you going to do with the line when you get it? What people have you got to manage it? You have something here that

Mr. Dickey: It is on *Hansard* three or four times. Where have you been? Either be here or read *Hansard*.

Mr. Pallett: There are a few magpies here, Mr. Chairman. I heard an expression about people who speak from such a position as theirs and it is this, namely that they have more brains in their seats than on their feet. Since we know the corporation we are dealing with by those statements made by the minister, what staff will be employed to ensure that the money advanced to this company will go into the pipe line? There is nothing I have seen that will ensure that. Here is another thing. They represent that they are going to build this pipe line. What have we before this house to show that they have options for rights of way or own rights of way? We may be giving money to a company that have no possibility of carrying out their contract. How much did they pay for those rights of way? What is their route? There may be something filed before other bodies in this country showing the route, but what does this house know about the route that this gas pipe line is supposed to take?

An hon. Member: We do not know.

Mr. Pallett: What localities will this gas line serve in each province? I think that is a matter of vital importance. What localities are going to be served? You say northern Ontario? I know for a fact that the present plan does not include the great city of Sault Ste. Marie, one of the big possible industrial users. I immediately accept the premise that gas going into northern Ontario will be of great benefit to that part of the country. But I say this to those hon. members who applaud that statement. In this system of democracy the end never justifies the means. What prices are to be paid for this gas at wellhead, at the gathering area? What price is the gas to be sold for at the various stages along the line? We heard some figures today but let us get them in a form that the average Canadian taxpayer can understand. Let us get them down to the consumer level, indicating how much the man who is going to heat his house is going to have to pay for this gas.

Is the gas going to be put in a competitive position with other fuels? Are we subsidizing one enterprise against other free enterprise industries? That is an answer we should have. If it is not in a competitive position, then is the fuel going to be used by consumers and what consumers are actually prepared to buy gas? We have heard vague references in this house about contracts and so forth. Let us have names. Let us have the quantities they are going to buy. Never mind these vague statements. We are asked to spend the money of the people of Canada in this house and we should know all the facts; we should not have just vague irrelevancies.

The Prime Minister was asked the other day what he knows about the hearings before the federal power commission. He did not even know whether we had a representative down there keeping an eye on things. We have not had that question answered. When does the government expect those hearings will be concluded down there? We do not know and they do not know. Hon. members across the floor of the house do not know. This is a gamble. It is worse than shooting crap with the dice loaded against you. Are there any guarantees obtained by the government considering the sale price of this gas? One company may own the gas, one company may own the pipe line. What assurance does the consumer have? When you have set up this monopoly, what assurance is there that the consumer is not going to be squeezed? Certainly the price may be favourable at this stage of the game. Let them into the market. When they get a monopolistic control, what assurance do the consumers of this country have that that gas made possible by the Canadian people's own money is going to be used for their benefit? No assurance has ever been given in this house by anybody that the consumer is not going to be squeezed in the price.

Mr. Hellyer: Oh, oh.

Mr. Pallett: The hon. member for Davenport has just chirped up. He had better look at the petition signed by the members of Olde Davenport United Church.

An hon. Member: Aren't you funny?

Mr. Pallett: There are other matters to be taken into consideration. Have the railways been approached with a view to running the pipe line along their rights of way? There you have a ready-made right of way that we should take advantage of where the toughest construction is going to take place. Have they been approached? If they have been approached, we have not heard about it. If not, why not? They are the two biggest companies in Canada and they are capable of doing almost anything. Have they been approached? We have not been told that they have been approached. We have not been given any answers if they have been approached. I suggest that the government explore that angle.

What assurance have we in this house that this pipe line is going to be constructed all-Canadian? What assurance have we that

Mr. Coldwell: Would be called.

Mr. Knight: He said that tenders would be called for that particular part of the work. Therefore my fifth question to the minister is, just exactly what does that article mean?

I have already expressed myself at the beginning of my remarks with regard to the method by which the government has railroaded or is railroading—I think that is a correct expression—this legislation through the house. A former Liberal prime minister, Mr. Mackenzie King, expressed very strenuous objection to the gag or guillotine in 1932. Well, the gag, closure, the guillotine, call it what you will, is the method by which Mr. King's successors are forcing this pipe line bill upon a reluctant people about half of whom, I would say, are represented by the party on my right and our own party but have no respresentation or effective voice in this so-called representative assembly.

Then there was another and greater Liberal, and with his words I close. I think someone has already put them on the record. I refer to Sir Wilfrid Laurier and the time when he had the opportunity to apply closure but refused to do so and went to the country instead where he suffered defeat. King also went to the country but he was returned victorious. Laurier was defeated and on his return to the house as a member of the opposition after that defeat he said:

> Heaven is my witness that I would rather stand here today, defeated and in opposition by that appeal to the people, than to stand over there in office by the power of the gag.

My last and concluding sentence is that there are no Lauriers on the treasury benches of today.

Mr. Pallett: Mr. Chairman, in rising to speak in this debate I feel somewhat like a member of Sir Francis Drake's crew when he went out against the armada. They were facing bigger guns and bigger ships but they won because they had better ammunition and better leadership. In view of certain headlines I have seen in Ottawa papers today, I would remind the Prime Minister that at the beginning of this week he assured the house that we would have a debate all this week. I took it, and I believe most hon. members took it, that there would be a debate on the pipe line issue and that there would not be measures introduced by the government that would take the debate away from the pipe line issue to other matters of procedure that are necessary to us in the opposition when the government decides to use closure measures. I say that to the Prime Minister so that there will be no misunderstanding in his mind as to what was understood on this side of the house and what, I believe, was understood by the people of Canada. The Prime Minister has given an undertaking to this house that we would have debate this week on the pipe line. I remind hon. gentlemen as to that.

Mr. Hosking: Just read it.

Mr. Pallett: Certain headlines that have appeared in the Ottawa papers today do not indicate that. I certainly feel that those ideas do not come out of some reporter's own mind.

Last night the Minister of Trade and Commerce in his opening remarks said this as reported at page 4404 of *Hansard*:

> . . . I have spoken three times in this debate, and my purpose in rising now is to attempt to make this a committee where questions that are asked can be answered.

To that end I have prepared certain questions that I should like to ask the Minister of Trade and Commerce. I would suggest that if he likes I will send them over to him after I have finished and he can answer them in due course. I should like the answers to be answers from him, not references to agreements and not references to submissions that have been made by Trans-Canada Pipe Lines in any hearings or in any letters that have been filed before this house. I think it has been shown conclusively that any representations by Trans-Canada Pipe Lines Limited in any hearings or in any agreements are not to be considered too seriously.

In this house today we heard the hon. member for Prince Albert read figures of the gas sale price filed by that company before the federal power commission of the United States. The first man on his feet to deny those figures was the Minister of Trade and Commerce. I think that sets the stage exactly and shows how much reliance we can put in statements that are made on behalf of Trans-Canada Pipe Lines Limited. The first man effectively to say that their word, filed before a judicial tribunal, is not to be taken as true was the Minister of Trade and Commerce, the sponsor of this bill.

The questions to which I referred are as follows. First I should like to ask the Minister of Trade and Commerce what has been done since January 1, 1951 up until the present time. Let us have the facts in relation to what has been done in the last five years. Why is it only now, or within the last few weeks, that this bill has been put down for consideration? What has been happening since January 10 when this session first started? I think that is a question that ought to be answered for the Canadian people.

to this company a section of the line and to finance another section to the tune of 90 per cent of the expenditures which the company will make. The company is only going to put up a tiny share of the expense.

Apparently that has been a fairly recent decision. The reason that they will not put up the money is not that they do not have the money. The existence of the Tennessee company in this project and its connection with the organization would provide for that, but apparently we cannot have the pipe line, so they say, unless we have permission from the United States federal power commission over which we have no control whatever. That commission has to give permission to import gas into the United States. Therefore, as the situation now stands, we are dependent for the existence of the pipe line on the permission of a commission of a foreign power. I ask you, where is our vaunted young nationhood? Where is our boasted independence?

It is fair to ask what our solution would be. I would say that if we are to provide 90 per cent of the funds to build part of the project and if we are to build the other part and hand it over to the company, why not provide 100 per cent of the funds and build the whole pipe line ourselves? It is just as simple as that. Let us have it 100 per cent Canadian owned and controlled. I am opposed to our building one section and providing most of the funds for the construction of another section and then handing over the whole thing to a foreign private company for their exploitation and profit. Make no mistake about it, this pipe line is going to be a private monopoly, and most of the profits from its operation will go to the owners in another country. It may well be that Canadian consumers by virtue of this monopoly and by reason of the higher price they will pay for gas will be in the position of subsidizing consumers in the United States where competition is keen.

For the information of hon. members, and because I do not have time to read it, I should like to refer them to a very relevant editorial in my own local paper, the Saskatoon *Star-Phoenix* of Thursday, May 24. It is entitled, "Question Begging Answers". I too am begging answers, and I find that certain of the questions outlined in this editorial are ones I had jotted down myself. I should like the minister to answer these questions when he replies in committee and I shall try to make the questions quite definite.

First of all, in 1955 the minister said that the line could be privately financed. There was lots of money then. I should like to know why, after the wealthy Tennessee company came into the picture, the company was then unable to finance the proposition. Second, what arrangements are being made to build the sections not now provided for in the bill, the in between sections which have not been accounted for? Third, why is the new agreement between the government and Trans-Canada not attached to the bill or written into the bill? Has it been left out purposely so that it may be moderated, so that it can be changed in the future, perhaps to give the company more time? Fourth, is it correct as asserted that there will be a difference in prices as between distributors at Winnipeg and at Emerson amounting in that way to Canadian consumer subsidization of the United States consumer south of the border? Fifth, there is another thing that I am at a complete loss to understand. At this point I should like to quote from a dispatch in the *Globe and Mail* of May 29. I shall only read parts as my time is limited. The article is headed, "British Firm to Supply Pipe for Gas Line". The dispatch is from London under today's date and reads in part as follows:

> A $32 million contract for steel piping for the Trans-Canada Pipe Line company has been awarded to a British firm, it was announced today.

The next paragraph designates the firm as the South Durham Steel and Iron Company Limited. Then the next paragraph is somewhat of a revelation as to the time when we may expect that the gas line will be in operation. The article goes on to say:

> Delivery of the first pipe will be in May, 1957—

That is not 1956.

> —and the contract is expected to be completed by July, 1959.
>
> Asked about the controversy in Canada over the pipe line company's financing, a company official said: "The contract is with the pipe line company, not the government."
>
> Altogether 636 miles of 30-inch diameter piping will be used for the centre section of the natural gas line from Winnipeg to North Bay.

That is the relevant part of the article. I find myself in some difficulty in knowing whether, if in fact, it is correct. The bill we have before us, which we are going to be allowed to discuss for a limited period at the private dispensation of the Prime Minister, as I said, says that the government is to set up a crown corporation to construct the northern Ontario section. One would naturally suppose that this would include the purchase of the pipe and the laying of the pipe, but if this dispatch that I have quoted is correct it would appear that Trans-Canada seems to be quite sure—I was going to say had been assured—of the laying of it in spite of what the Prime Minister said this afternoon. If I recall correctly, he said that tenders were being let for that particular part of the work.

have it revoked. After all, this is the workers' money and I think he has a perfect right to say how it should be handled.

I recognize immediately that some abuses may creep in and I have expressed my opinion in that regard. I make no apology for having said that the unions should be very careful in the way they use the fees they obtain from labour, particularly as it would apply to political parties. I am not going to say any more on that on this occasion.

An hon. Member: Why not?

Mr. Johnston (Bow River): I have no hesitancy at all, but surely it should be clear to the members of this house that when six out of the ten provinces have this legislation there is no great abuse of the measure. I do not think it is asking too much of this government to ask them to incorporate this in their labour relations.

We in Alberta probably took the lead in this connection. We established the principle and five other provinces have also adopted it. I cannot for the life of me see how this would interfere in any way with free collective bargaining because it has nothing to do with the problems which ordinarily come under the heading of collective bargaining. This would be agreement between the employer and the employee, an agreement which would be voluntarily entered into it, an agreement which could be revoked if necessary.

After having said this I think you will understand that we are in favour of this bill. I have spoken in favour of it on many occasions and it is our intention at this time to support this bill.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I think the hon. member who just resumed his seat supplied the key to this problem when he said that after all this is the employee's own money. I submit that the employee should be free to determine just how his money is to be handled. The fact that five provinces have adopted this legislation is no reason why this government should follow their lead. We believe in free enterprise and we believe in a philosophy which stresses the importance of the individual. We have today systems of government which stress that the state is more important than the individual. This legislation implies that a union or a group is more important than the individual.

I cannot subscribe to that as a matter of principle, because certainly the big issue in the world today is freedom of the individual. There has been no attempt to interfere with those who want to pay dues to unions; they are free to do it. If any union wants to make a bargain with an employer and wants this clause inserted in the agreement, it is free to do so. Why should this government interfere in any way with that freedom? I think it would be a grave mistake on our part to interfere. This legislation not only insists that we interfere with the individual in connection with the spending or handling of his money, it insists also that we interfere with the freedom of the employer as to the use of his time and his accounts in collecting money for a union.

Unions are good things and they serve a good purpose in our way of life, but if a union is to continue to serve the best interests of the employees or of the workers as a whole it must learn to stand on its own feet and prove itself worthy of the loyalty of its members so that fees will be paid without any compulsion from an outside source.

On motion of Mr. Carter the debate was adjourned.

Mr. Speaker: Is it agreed that I leave the chair for the house to resume consideration of whatever business was under consideration at five o'clock?

Some hon. Members: Agreed.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Knight: Mr. Chairman, at five o'clock I had been stating that when this company and its affairs were first considered by a committee of the House of Commons we were assured that the company would be created with Canadian funds, that it would build on Canadian territory, would be under Canadian control and all the rest of it. But what is the situation now? We find that three great American gas and oil companies will hold control to the extent of 84 per cent and that great quantities of gas are to be siphoned off from the pipe line at Emerson, Manitoba. The Canadian government together with the Ontario government are to use the Canadian taxpayers' money to do two things, to build and hand over

Mrs. Ann Shipley (Timiskaming): Mr. Speaker, unfortunately I am very hoarse today and I hope you will bear with me. My remarks will therefore of necessity be brief.

I listened with great interest to the hon. member for Comox-Alberni (Mr. Barnett) in criticizing the argument presented by the parliamentary assistant to the Minister of Labour and I must say I could not follow his line of reasoning at all. The hon. member stated that the lack of voluntary revocable check-off denied free collective bargaining to the labour force in Canada. With all due deference to the hon. member I say that is a completely wrong statement because we now have free collective bargaining in Canada without any compulsory—revocable or otherwise—check-off. He also had something to say to the effect that if we had this legislation on the books it would prevent strikes. I may be wrong, but to the best of my knowledge it has been a long time since there has been a strike over this particular measure alone. I do not suggest it might not have been one of the bargaining points but I do not recall it as having been the principal one for some time.

The hon. member claims that we should pass this legislation to guarantee security to the unions. Well, there is just a little more to this measure than that. If we pass it we are compelling employers to guarantee their security willy-nilly regardless of the responsibility shown by the particular union concerned. Now, I have no objection to the check-off as such provided it has been accorded or won by the body of workmen because they have shown responsibility in their organization and as a group of employees, and that is the way we have it in Canada.

Mr. Barnett: May I ask the hon. member a question?

Mrs. Shipley: Surely.

Mr. Barnett: I wonder if the hon. member could make just a little more clear to us, when she talks about showing responsibility, to whom she means the responsibility should be shown. Does she mean responsibility to the employer or does she mean the responsibility of a union to its own members?

Mrs. Shipley: I mean both, Mr. Speaker. I mean the responsibility to the community and the responsibility of the union to its members as part of the industry in which they are employed. In other words, there are some unions which have proven themselves by the actions of their leaders and some of their members to be very irresponsible citizens indeed. Now, mark me, I am not suggesting for a moment this is common to all unions. The majority of union bodies are fine bodies; but I see no reason why we should compel an employer to recognize a group that is not responsible nor indeed do I see any reason why we should put compulsion on the employer in any event. Compulsion is abhorrent to most Canadians. We have good free bargaining and negotiation laws in Canada and I feel that is the way this should be done.

I have forgotten the United States figures and indeed I do not have the most recent ones, but I put the last official figures on *Hansard* two sessions ago, I think. In the United States they had voluntary check-off as a compulsory measure in many states and in several of them they have taken that legislation off the books because they found it did not work in practice. It invariably leads to the closed shop, which I do not think is desired by many Canadians. That has been its history in the United States. Furthermore, in the cradle, shall we say, of the labour movement in Great Britain they have no check-off and they must have exceedingly good reasons for not having such a measure. We as a party are not against the check-off. The majority of the employees under our jurisdiction have the check-off and others are free to negotiate for it.

I understand that in the representations made to the government by various labour unions, while this point may have been mentioned in their briefs it was not one of the major points they brought up. In other words, it is my belief that the unions are not pressing strenuously for this measure at the present time and it is to my certain knowledge that a large number of men who are union members do not want it because under certain circumstances it is neither voluntary nor revocable. That is why I believe it should be obtained through bargaining negotiations.

Mr. C. E. Johnston (Bow River): Mr. Speaker, I do not intend to take very long discussing this bill because I have expressed my opinion regarding it on numerous occasions. When the hon. member who has just resumed her seat speaks of irresponsible unions she must remember that this is applicable only to certified unions. Further, when she says that this would compel the employer to guarantee the union, I doubt if that is quite as accurate as it might be because the bill states specifically it is a voluntary and revocable check-off.

That means, first, that it must be voluntary on the part of the worker. The worker gives his consent in writing to have the deduction made. That is a common practice in more than one industry in this country. In the second place, if the worker desires he can

of the question of union security, the admittance that the trade union movement, the collective bargaining process, is a legitimate thing in a democratic society. That is at the crux of the argument which has been advanced by the trade union movement of this country, that the question of the existence of unions, of the security of unions, should be taken outside of the field of collective bargaining as such.

If you take the line of reasoning which has been put forward by the parliamentary assistant to the Minister of Labour, then you are starting on the first step of a logical line of reasoning which admits that in fact the trade union movement, the collective bargaining process, is not a legitimate thing in this country. That is the important thing to realize. And more than that, Mr. Speaker, as members of this house, as citizens of this country, we should have come to the point where we are prepared to recognize that the proper role of legislation is to narrow down the field of the disputes that arise from time to time between management and labour to what is the real question involved in collective bargaining, namely, the improvement of working conditions, matters of hours of work and the remuneration which workers are to receive for their work, and that if labour legislation as such has any legitimate place at all on the statute books of this country that is one of the most important functions it can perform.

No one in this country likes to see disputes between management and labour reach the point where such things as strikes and lockouts and all that go with them become involved. No one who has been through a strike, no one who has had some responsibility as an officer of a union in conducting a strike, has any illusions whatsoever about the unfortunate results of labour being forced to take that action. It is something that can be measured to a degree in the loss of pay cheques that ensues. It is something that can be measured by the loss of valuable industrial production. Measured by any one of those terms by which one can assess the effects and the implications of strikes and lockouts, it is an unfortunate and undesirable situation to have arise. It seems to me that no hon. member of this house who is interested in the welfare of the working people of Canada, in the growth of our country, in the increase of the real wealth which we as citizens may be able to enjoy in our proper share, should for a moment hesitate to endorse a measure which will in some degree at least remove the possibility of the advent of such things as strikes and lockouts.

Without legislation which grants union security as a right to the trade union movement, the organized working people of Canada, you leave within the bargaining process and within the area of possible dispute the question of the very existence of the union as such and the right of the workers to bargain collectively. That, Mr. Speaker, is the real argument in favour of the adoption of this type of legislation in Canada. By its adoption you have put the collective bargaining process in its proper role. You have taken out of the area of dispute the question of the right of the workers to organize and bargain collectively.

This legislation proposes to introduce into our federal labour law the principle which, as the hon. member for Winnipeg North Centre (Mr. Knowles) indicated when he introduced this bill, has been adopted in the legislatures of six of the ten provinces in this country up to the present time and which is in the process of coming into being in at least one of the other Canadian provinces.

It is all very well to argue that most of the working people in this country who come within the purview of federal labour legislation already have written into their contracts the provisions that are suggested here, or something better, but nevertheless that makes it all the more apparent that the time is long overdue when this should be a part of the Industrial Relations and Disputes Investigation Act.

When a principle has become as well established as this has through the long and bitter process of collective bargaining, why should this parliament hesitate any longer to put this into the form of legislation so that the process need no longer be continued for the minority of those who may not enjoy it as a right? As long as the parliament of Canada refuses to recognize that this sort of thing is a right of the workers of Canada, then just so long are we giving tacit recognition to the fact that employers who come within the field of federal labour legislation have the right to go out on union busting tactics and that in fact, as well as in law, the workers have not really the right of collective bargaining.

Mr. Speaker, I would suggest respectfully through you to the parliamentary assistant to the Minister of Labour that if he is going to get up in this house and argue against the adoption of this measure he is going to have to produce something much better than these quotations taken out of context from certain people, all of whom would be prepared to stand up in this house and advocate the adoption of this legislation.

On page 48 of *Hansard* for the same year the hon. member for Cape Breton South (Mr. Gillis) said:

> I am convinced that you cannot write a trade union agreement on the floor of the House of Commons.

Finally, on page 49 of that volume of *Hansard* the former member for York West said:

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

Is not the point well taken, therefore, that if parliament should preserve by all possible means the freedom of action of both management and labour when they get together and attempt in good faith to reach a common agreement, then to a certain degree the present bill taints the healthy state of collective bargaining as we have it today? And are we not replacing a procedure which has given satisfactory results in the past for a principle about whose accomplishments in the future we may be in doubt?

I have stated that there is nothing in the industrial relations act that stands in the way of inserting in a collective agreement such a provision as is contained in the bill we are discussing. This assertion on my part cannot be better substantiated than by the following extract from an article in the April convention issue of the Canadian labour magazine entitled "The Future of Labour in Canada", by Donald MacDonald, secretary treasurer and chief executive officer, Canadian Congress of Labour, which reads:

> It is probable that as the process of collective bargaining continues, there will be a more stable, mature and effective type of labour-management relationship. Both employers and communities will, in all likelihood, come to accept unions in a more genuine sense, until they will be more or less taken for granted. This, in turn, should mean that there will be more bargaining in good faith, and that the area of bargaining, will broaden both as to subject matter, and scope of the bargaining agency.

In the face of these views on the legislation as it now stands, Mr. Speaker, and in consideration of the points mentioned, I feel that it would not be considered the course of wisdom to abandon now the well tried principle of free collective bargaining for the new principle contained in this bill.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I must say that I have been very greatly impressed by the almost fantastic processes of logic which were put on the records of the house by the parliamentary assistant to the Minister of Labour. I have some admiration for his ingenuity in going to certain people whom he quoted, I agree, as authorities on this subject of labour legislation and, by using those quotations, attempting to justify his opposition to the bill which is now before the house. For example, he mentioned the former member for Spadina, the hon. member for Cape Breton South (Mr. Gillis) and Donald MacDonald, the former secretary of the Canadian Congress of Labour, now secretary of the Canadian Labour Congress, in an attempt to bolster what I have already termed his rather fantastic logic.

First of all, let me say that in quoting the present secretary of the Canadian Labour Congress in an attempt to bolster his arguments he has perhaps exceeded the limits, because undoubtedly he must be aware of the fact that the Canadian Labour Congress, newly formed as a united labour organization in this country, is definitely on record as being in favour of the principle of this bill and of its adoption in the field of labour legislation.

Perhaps I might expand a little on why I consider the hon. member's reasoning to be so strange. All of the quotations he used referred to another subject matter altogether, namely, the suggestion of the application of compulsory arbitration that has been discussed on some occasions in this house. How the hon. member can suggest that there is anything akin to the principles involved in compulsory arbitration and those contained in this bill is quite beyond my feeble mind to understand. Apparently, these quotations are being used by him in an attempt to suggest that what is proposed in his bill would interfere in some way or other with the process of free collective bargaining. Perhaps I do not need to take the time of the house to explain that I myself am certainly in favour of the free process of collective bargaining; but I think it is important for us to get something of the picture of what collective bargaining is and what it should be about and, incidentally, to get some picture of what the role of legislation, federal or provincial, in the field of labour activity, should be.

It seems to me that if collective bargaining means anything at all it means a group of workers joined together for the purpose of improving their conditions of work and of increasing the amount of remuneration they receive for performing that work. That to me is the essence of collective bargaining. To attempt to suggest that questions of union security properly belong to a sphere of the collective bargaining process to me just does not add up. If, as the parliamentary assistant admits and suggests, we should have collective bargaining in this, that to me, at least, is tantamount to doubting the legitimacy of the trade union as such. That is the crux

aimed at the creation of the kind of climate that will encourage responsible and healthy industrial relations amongst all parties concerned?

I believe that our existing legislation serves that aim and purpose and leaves to the bargaining parties the responsibility of negotiating the substantial provisions of their collective agreements. That is where responsibility belongs and that is where it has become recognized as properly belonging by those who have been negotiating agreements in the federal field in recent years.

Do we not all agree that something which is arrived at voluntarily has more significance and offers a greater degree of satisfaction than something imposed from outside, since a voluntary agreement will have the support or at least the acceptance of both sides, all of which is of the greatest importance.

In arriving at such a voluntary agreement, is it not more likely to retain vitality and recognition if it must justify itself from year to year or from agreement to agreement; and that is very important for the long-pull angle of the situation, this being conducive to a quasi-permanency of amicable relations.

There are, of course, already in the industrial relations act provisions for protecting the rights of the employees to join unions and to carry on lawful activities. There is also the further assurance that nothing in the industrial relations act stands in the way of inserting in a collective agreement such a provision as is contained in the bill we are discussing. It would, therefore, appear to me that this assurance should warrant ample protection for unions which are able to enlist the support of a majority of their members who want the things set out in this bill.

In so far as union security is concerned the field in which the provisions of the bill could operate, even if it were law, is a very small one indeed. The security accruing to the unions therefrom would also be very small. Last year on February 8, at page 960 of *Hansard*, the hon. Minister of Labour (Mr. Gregg) gave a report on the result of a study of check-off provisions in collective agreements under federal labour laws. Other than employees of the government, of the total workers under such agreements more than 80 per cent already had obtained some form of the check-off agreements. Only about 19 per cent of the 80 per cent had apparently thought it worthwhile to bargain for and obtain the kind of check-offs set out in this bill. The remaining 81 per cent, of the 80 per cent group, had obtained forms of check-off which are, one must assume, more advantageous from their point of view.

Since last year there has been a slightly higher proportion of employees in some groups, notably air transport, covered by the check-off provision. The submission of the Trades and Labour Congress of Canada stated that the provisions of the existing federal legislation "are reasonably adequate". Later in the same week the railway transportation brotherhood submitted their brief in which it was stated:

> It is the considered opinion of this committee that the provisions of the act are reasonably adequate for collective bargaining.

I feel, Mr. Speaker, that the present system of collective bargaining represents, to a certain extent, the quintessence of voluntary negotiation which, after all, is the democratic way of negotiating. It is held by some, and rightly so, I believe, that should this house enact the present bill we may be accused by some, and again rightly so, of setting a precedent of interference by parliament in collective bargaining which has been functioning rather well if we take all things into consideration. There is no one who will again say that everyone is for union security, and the difficulty arises not so much in connection with the aim to be attained but rather the procedure to be followed to attain that aim.

Had collective bargaining steered away from the principle of union security, then there might be some reason for the present bill. But the fact that collective bargaining has succeeded in establishing, whenever feasible, union security and this, by mutual and amicable procedure, then I believe that we should leave the matter to the scope and province of collective bargaining which has succeeded in the past and which will undoubtedly continue to bring practical results in this field in the future.

If we refer to past debates on the subject matter we find that members of this house have repeatedly expressed themselves on the freedom that should prevail in the establishment of management-labour relations. For example, in 1950, during the fall session, at page 51 of *Hansard* we find the following statement by the then member for Spadina:

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

Again on the same page of *Hansard* we find this declaration by the hon. member for Winnipeg North Centre (Mr. Knowles):

> It is of primary importance, and in the public interest, that there be no interference with the principle of free collective bargaining.

benefit. Another thing which makes this amendment necessary today is the fact that some provincial governments have passed provincial debt adjustment legislation in an effort to protect the producer on the land and keep him from being victimized by foreclosure operations on the part of people who wish to foreclose against him. That provincial debt legislation saved many farms. However, the moratorium feature of the provincial debt legislation was questioned before the courts and later was taken, through appeal, to the Supreme Court of Canada. A final decision was brought down, I believe in 1955, which declared the provincial debt adjustment act to be ultra vires. The result is that the protection offered by the provincial legislation is no longer available. Hence the purpose of Bill No. 350 with its various amendments is to amend the original Farmers' Creditors Arrangement Act so as to make it operative, to make it so that it will be applicable to farmers who find themselves in serious indebtedness at the present time and who are threatened with foreclosure and the possible loss of their lifelong earnings through no fault of their own.

It may seem odd that producers should require this kind of protection. However, they are operating in one of the most difficult industries in the country. Along with fishermen, they find that in some years they have crops and in other years they do not. As far as the national interest is concerned and as far as the production of food is concerned, I believe that here is a portion of the population that requires protection, having regard to the many dangers to which farm production is liable such as frost; drought; insects; the vagaries of the economic condition of the country; wars; the fact that other people enter into competition; the fact that perhaps through federal policies they fail to sell the farmers' product. On the western prairies we find hundreds of thousands of farmers deeply in debt and unable to meet their obligations from day to day while at the same time their bins are full of excellent wheat. They have produced the food which a hungry world requires but, through no fault of their own, they are unable to sell it. Along with that situation, they are faced with constantly increasing costs which must be met from day to day and they are placed in an extremely difficult position with regard to debt. In order to keep efficient producers on the land, I think it only right and proper that this type of protection should be available to them. The purpose of this bill is to amend the act and to make it available.

The royal commission on agricultural and rural life passed a recommendation to the effect that the provisions of all existing farm security and debt adjustment legislation should be consolidated and placed in a form where it should be available to farmers who are in need. It also recognized that such debt adjustment legislation should be associated with sound credit and supervision programs for the re-establishment of agriculture where conditions have made it almost impossible for the farmers to carry on.

That outlines briefly, Mr. Speaker, the reasons for the act, some of the history of the act and the reasons why I believe that this house should pass this bill in order that the original intentions of the Farmers' Creditors Arrangement Act might be operative for people today.

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

Mr. Benidickson: In view of the illness of the Minister of Justice (Mr. Garson), I move the adjournment of the debate.

On motion of Mr. Benidickson the debate was adjourned.

INDUSTRIAL RELATIONS

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

The house resumed, from Friday, February 24, consideration of the motion of Mr. Knowles for the second reading of Bill No. 5, to amend the Industrial Relations and Disputes Investigation Act (voluntary revocable check-off).

Mr. J. A. Blanchette (Parliamentary Assistant to the Minister of Labour): Mr. Speaker, I shall not pretend to have new arguments to place before the house on this bill, as practically all the arguments possible have been advanced, from year to year, each time that a similar bill has been discussed.

The devotion and interest of the hon. member for Winnipeg North Centre (Mr. Knowles) who has presented this bill is to be highly commended; but I am wondering whether the progress which is being made, from year to year, in industrial relations has not somewhat reduced the significance of this cause which he has espoused so ardently by the presentation of this bill.

The developments in the field of labour-management relations have strengthened the convictions of many that legislative provisions for this check-off would not serve any useful purpose in our federal legislation. The role of governments in industrial relations has always been—and will continue to be—a very live topic for discussion. Moreover, is it not generally accepted that the primary role of government should be one that is

for the introduction of the bill and some of the reasons why it should be passed by the house. The original legislation, the Farmers' Creditors Arrangement Act passed in 1934, was designed to give some security to the producers on the western plains against foreclosure for debt brought about by adverse agricultural conditions. The preamble of the original bill outlines that it was considered in the national interest that efficient producers of grain, cattle and farm produce on the prairies should be permitted to continue to produce.

As the result of the rather disastrous agricultural period that followed 1929 hundreds of thousands of farmers found themselves faced with economic conditions which necessitated that they should go to bankers and other credit institutions in order to obtain money to carry on their operations. Continued adverse conditions, which in some cases amounted to seven consecutive years of drought and practically no production, brought about a serious condition when the creditors sought to obtain repayment of the money they had lent and started to foreclose on the farmers in large numbers. Farmers who, through no fault of their own, had become bankrupt and did not have the means to carry on, found that their life savings and the work of themselves and their families were being wiped out. Foreclosures were extremely common. As a matter of fact, in many cases creditors who foreclosed obtained land and worn-out machinery and they were unable to make anything out of it afterwards.

In some cases the period of drought lasted for seven years, and in order to maintain the producers on the land this legislation was passed by the house in 1934. The procedure provided was that any producer, either before or after assignment under the Bankruptcy Act, could make an application before a court to file a proposal for the postponement or payment of his indebtedness over a period of years. The legislation made it possible for the farmer to take all the debts he owed to different people, lump them together and make some form of assignment under which he agreed to pay each of his creditors a certain amount each year out of the product of his toil.

I may say that the legislation, although limited in many respects and although it did not give complete justice, permitted the producer a period of time during which he could pay off his debts. It gave him an opportunity to produce and ultimately, in many cases, to pay off his indebtedness as soon as production was again possible. The return of rain, better weather conditions generally, better economic conditions and better prices in many cases made it possible for the farmer to carry on and the farmer was able to save his property and assets and to hand them down to someone else in his family. The farmer was able to continue on the farm.

It was a very fortunate thing that the legislation saved him. The efficient producer was still on the land and capable of carrying on production when it was necessary. Shortly after the drought period, when Canada found itself in the midst of a war and needed production very badly, these efficient producers were there and did an excellent job of producing with very little help. The reason for amendment of the act at this time is quite evident. The farmers again find that they are falling badly into debt, not so much because of adverse weather conditions which affect production but rather because of the fact that higher costs of production enter into the picture. The farmer has really been producing in an extremely efficient manner but in spite of increased production the fact that his costs of operation are higher and there has been a reduction in the prices for his produce when he goes to sell it, and that in some cases he is unable to sell the commodity, has resulted in the farmer again sinking seriously and rapidly into debt.

The very nature of the original Farmers' Creditors Arrangement Act has made it inoperative. I should like to refer to the limitation found in section 7 of the act, which section reads in part as follows:

. . . if two-thirds of the total amount therof—

The reference is to his debt.

—are owing by him in respect of debts incurred before the first day of May, 1935 . . .

With that provision in the act there are practically no debts with respect to which use can be made of the act and no cases where the farmer can get any redress or have the opportunity to make any kind of arrangement or assignment providing for the adjustment of payment of his debts. The main purpose of the bill is to remove that portion of section 5 from the section, to amend the other sections of the act which limit its application to debts incurred prior to that time, and to remove any reference to the particular period referred to in the preamble, that reference being to the period immediately following 1929 when serious indebtedness in certain farm areas had certainly resulted in a situation where it was beyond the capacity of the farmers to repay. The purpose of the bill is merely to make the benefits of the act applicable to producers who find themselves in that position today.

I might say that although the act did not meet all needs it was certainly of some little

Private Bills

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

ALBION INSURANCE COMPANY OF CANADA

Mr. Alan Macnaughton (Mount Royal) moved the second reading of Bill No. 353, to incorporate the Albion Insurance Company of Canada.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

REAL PERRAS

The house resumed, from Friday, May 25, consideration of the motion of Mr. Henderson for the second reading of Bill No. 347, for the relief of Real Perras.

Mr. Speaker: The hon. member for Regina City (Mr. Ellis) adjourned the debate. By unanimous consent would it be agreeable to allow this to stand?

Some hon. Members: Stand.

DIVORCE BILLS

Mr. Speaker: There are several divorce bills coming up for second reading. Is it the wish of hon. members that they be proceeded with one by one or as one motion?

Some hon. Members: One motion.

Mr. Nicholson: Mr. Speaker, I have quite a large bundle of evidence here but the evidence involved in order No. 61, Bill No. 366, is missing. I wonder whether order No. 61 might be allowed to stand.

Mr. Speaker: Is it agreed that order No. 61, Bill No. 366, shall stand?

Some hon. Members: Agreed.

SECOND READINGS—SENATE BILLS

Bill No. 354, for the relief of Barbara Mary Elliott Priestley.—Mr. Henderson.

Bill No. 355, for the relief of Nancy Elizabeth Theresa Butler Waugh.—Mr. Henderson.

Bill No. 356, for the relief of Robert James Clarke.—Mr. Henderson.

Bill No. 357, for the relief of Veronica Rose Latter Haworth Robinson.—Mr. Henderson.

Bill No. 358, for the relief of Billie Mae Margaret Taylor Dennis.—Mr. Henderson.

Bill No. 359, for the relief of Naida Donnithorne St. James.—Mr. Henderson.

Bill No. 360, for the relief of Alma Elizabeth Mackie Wahlberg.—Mr. Henderson.

Bill No. 361, for the relief of William Maguire.—Mr. Henderson.

Bill No. 362, for the relief of Anne Perley-Robertson McNicoll.—Mr. Henderson.

[Mr. Henderson.]

Bill No. 363, for the relief of Colette Palardy Loranger.—Mr. Henderson.

Bill No. 364, for the relief of Esther Kathleen Hamilton Williamson Maynard.—Mr. Henderson.

Bill No. 365, for the relief of Helga Maria Berger Pilgrim.—Mr. Henderson.

Bill No. 367, for the relief of Joseph Thomas Evans.—Mr. Henderson.

Bill No. 368, for the relief of Marie Jacqueline Carmen Van Troyen Morin.—Mr. Henderson.

Bill No. 369, for the relief of Hazel Wilhelmina Langtry Kimpton.—Mr. Henderson.

Bill No. 370, for the relief of Sergei Vermala.—Mr. Henderson.

Bill No. 371, for the relief of Stanley Tom Wood.—Mr. Henderson.

Bill No. 372, for the relief of Amelia Alice Stefoni Schofield.—Mr. Henderson.

Bill No. 373, for the relief of Bridget Rowley McHale Bowman.—Mr. Henderson.

Mr. Nicholson: Mr. Speaker, the hon. member for Regina City (Mr. Ellis) had not planned to proceed with the discussion of order No. 48, Bill No. 347, today. I believe the chairman of the committee wishes to have this bill referred to the committee and I would ask that we might revert to order No. 48.

Mr. Speaker: Is it agreed that we revert to order No. 48?

Some hon. Members: Agreed.

REAL PERRAS

The house resumed, from Friday, May 25, consideration of the motion of Mr. Henderson for the second reading of Bill No. 347, for the relief of Real Perras.

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

Mr. Knowles: On division.

Motion agreed to and bill read the second time.

FARMERS' CREDITORS ARRANGEMENT ACT

AMENDMENTS REMOVING LIMITATIONS RESPECTING DATE OF DEBT, ETC.

Mr. G. H. Castleden (Yorkton) moved the second reading of Bill No. 350, to amend the Farmers' Creditors Arrangement Act.

He said: Mr. Speaker, in speaking to the motion for second reading of Bill No. 350 I wish to say a few words by way of explanation of the history of this kind of debt adjustment legislation and to outline the reasons

house that the cabinet might as well stop discussion here—they have virtually stopped it anyway—adjourn parliament, go home and proceed by order in council. It is not as bad as that because, thanks to some of the gentlemen of the press and to public opinion which has been created by the efforts of gentlemen of the press or those who have had the privilege of speaking in this house, the protests have been so great that the government has seen fit to open at least some of the clauses of the bill to a short discussion.

What is this shortage of time? If we examine the facts we know that it is five years—here I am bound to repeat—since this company was set up. I remember when the matter was before the committee. At that time there was no question of government assistance; this thing was going to be built by Canadian private funds. It was to be an all-Canadian route to serve Canadian consumers. When questions were put to those who were sponsoring the bill they scoffed at the idea or suggestion that it might be anything but Canadian controlled.

What is the picture now? Three United States gas and oil companies control this company to the extent of 84 per cent. My hon. friends to my left have talked about the producers; they say, "What about the poor producers in Alberta?" You can almost see a picture of a group of poor people with their knees out of their trousers as it were; underprivileged people with little farms. You get a picture of those people wanting to be able to sell this gas in order to make their fortunes. But who are the owners of this gas, who are these poor producers? They are the same companies which are going to build the line. We have been told today, with what authority I do not know, that it will be the same companies, or companies of a similar nature, which will do the distributing in the United States. The producers are the same people as those who will own the transportation system and those who will do the distributing at the other end of the line. It is true of course that the people of Alberta will receive royalties on the sale of this gas.

Mr. Howe (Port Arthur): The poor people of Saskatchewan will be paying 84 cents for their gas.

Mr. Coldwell: That is the retail price of the gas. They are supplying small towns along the way.

Mr. Knight: My time is quite short and I shall deal only with one additional point. We have been told that this is to be an all-Canadian pipe line for the benefit of the Canadian people. Let us leave British Columbia out of this discussion for the moment as they have natural resources which will make them wealthy no matter what they do with them or what form of government they have.

But what about the maritimes? What is this going to do for the maritimes? They are going to have the privilege of putting their money into the kitty and taking nothing out. They have been doing that for the past 50 years and I suppose they are getting accustomed to it, but it is not a very satisfactory procedure.

The last great steal, and I am not making a pun, that was perpetrated on the people of this country was when we gave away the iron ore in Ungava. I see the minister of immigration looking at me and I imagine he would like to tell me that that is a provincial matter. I know all about that; I know that the province receives certain royalties; but nine years ago we made it possible for these people with their foreign capital to come in there to take out that iron ore. They built railroads and all the rest of it.

What do they get out of it down there? There are hundreds of unemployed in the maritimes and those people are constantly having to go to a foreign country in order to make a living, or else come up to Montreal or to the centres of industry in central Canada. Something should have been done for those people down there. If in the case of our natural resources we had done what the C.C.F. party would like to do with this particular pipe line, those people would not have to go to foreign soil in order to get jobs.

What is going to be left to those people? I was amused when the minister said that this was going to be an all-Canadian pipe line because the thing is going to be situated in Canada. What is going to happen will be the same as has happened in connection with our iron ore. In that case the people are going to be left simply with the hole out of which the iron ore has been taken. In the meantime the ore will have been transported to the United States where the smelters are located and where the secondary processing industries are located. The people of the maritimes have had to follow their own ore on United States boats in order to get jobs.

We are proceeding now to create another steal. We are doing exactly the same thing in regard to this pipe line.

Progress reported.

PRIVATE BILLS

ANDREA MARIETTA HIEKISCH FARAGO

Mr. W. J. Henderson (Kingston) moved the second reading of Bill No. 348, for the relief of Andrea Marietta Hiekisch Farago.

across the way in the Liberal party and my hon. friends in the Social Credit party to my left. Do you think I would stoop so low as to say, or do you think I would be justified in saying, because these people are temporarily agreed on a certain issue, that the Liberal party has gone crazy enough to become Social Crediters overnight? Would I be justified in making that accusation? Or would I be justified in saying that the Conservatives were showing communist tendencies because they laid on the desk of the hon. member of their group who was dismissed from this house the same flag carried in that procession outside?

Mr. McIlraith: The flag they brought into the house two hours before the session that day? We know all about that.

Mr. Knight: My hon. friend can keep quiet. I will deal with him and his party later. Do you think I would be justified in saying, with regard to the Grey North by-election in 1945, that because the Liberal association published large placards and advertisements in which they showed the pictures of prominent communists and said they were supporting the Liberal party in that particular election, my Liberal friend who just interrupted me was a member of the communist party? It is a low-down trick and I wish it would pass out of our national life.

Mr. Bennett: I do not see why you bring Grey North into it.

Mr. Rowe: Don't you remember?

Mr. Knight: It is a smear by association.

Mr. McIlraith: That was my point in the question I asked you.

Mr. Knight: It is a vicious and discredited practice and I hope it will not be used any more by decent and honourable men.

Mr. McIlraith: That was my point.

Mr. Knight: May I repeat that it is only among ignorant people that there can be any hope of smear campaigns being successful. Let me tell my hon. friend it was on that slippery path that the gentleman who was the leader of the Liberal party, to its sorrow, in Saskatchewan for seven or eight years embarked and upon which he foundered into failure and political oblivion. That is what happens to people who smear other people. In his particular constituency that technique was used and may I say that there it had a degree of success.

What kind of people are these who my hon. friend is suggesting might be communists? Is the press of this country communist? I have noticed articles in the last day or two in the Toronto *Daily Star*, the Windsor *Star* and the Saskatoon *Star-Phoenix*—which is published in my home town and is a very good paper I might say—in which the government was damned and indicted for following an undemocratic procedure in this house. Are those members of the press communists? Have they shown communist tendencies in their editorials?

I read a dispatch in one of those papers concerning ministers of the gospel in Toronto. I understand the hon. member for Macleod belongs to a religious denomination. I shall say nothing about that, but he is the same gentleman who smeared us with a communist tar brush. I understand that his profession is that of a minister of the gospel.

Mr. Coldwell: Of what?

Mr. Knight: Well, of something.

An hon. Member: What about the one in front of you?

Mr. Knight: I have ample reasons to be proud of my hon. friend to my right, and I know that in its heart this house is also proud of him.

Mr. Byrne: Don't kid yourself.

Mr. Knight: Well, I will tell you about what happened last Sunday in Toronto. These gentlemen of the cloth—they were Anglican and United Church ministers—met for special prayers asking that parliamentary freedom might be preserved in this country. Are they communists? Is everybody out of step but the hon. member for Macleod?

Now, sir, there are certain comments I would like to make on this bill. In the midst of this turmoil which we have had in the house there has been one noticeable thing—I was going to say one permanent thing but I hope it will not be permanent. We have had a government which has been determined to force upon parliament and upon the country a legislative measure without giving, I will say now, full opportunity to the opposition to discuss that measure. Thus it is that a large percentage of the people are practically unrepresented in this House of Commons today. Many of my constituents have written and asked me to speak on this matter but I have not had an opportunity to do so until this moment.

The government of the day claims that these severe methods are due to the shortage of time, that the agreement which they have signed with the company we are discussing, a company practically wholly United States owned and controlled, calls for the passing of this legislation at a date close in the future. The suggestion has been made outside this

should a load factor enter into the distribution at that point? I might say this to the minister, Mr. Chairman. If he calculated the fares to be charged in the creation of Trans-Canada Air Lines on the same basis as he is doing here he would never have created the company because the load factor there would not have permitted him to do so.

Mr. Knight: It has been interesting to me, Mr. Chairman, to see the Minister of Trade and Commerce in his old position as a lecturer, and I hope that the classes he instructed before were more receptive of what he had to say than they were today.

Most of the arguments have not been advanced for and against what we consider to be an iniquitous proposition but the constituents here and there throughout the country like to have their own members express an opinion even if they must do something which I am not fond of doing, namely, repeat arguments which have already been advanced by other people. But they do say: "Yes, the man's party did say something about that or against that, but what did he say about it?"

Sir, never did I think when I was elected to parliament 11 years ago that I would have seen some of the turmoil, the anger and the consternation that I have seen in this house during the last three or four days, an institution which, temporarily at least, had passed completely from the control of the officers who preside over it; words of anger and bitter debate which appeared to have no end. That, of course, is a situation for which I can only blame the government that sits across the way. There was a loss of discipline and a loss of decorum which, to me, were deplorable. I almost said loss of debate and indeed that almost came about.

We are now in the position where we can debate, and to follow the precedent that has been set by other speakers I will speak generally on the topic because it has been wide open, as I see it. We are allowed to debate clause 4 and I think it is a reasonable question for me to ask the minister concerned, at what point is the axe next going to fall? Are we going to be allowed to debate clauses 5, 6 or 7? Well, government policy will be announced in due course. That is the phrase we have certainly heard before. If freedom of speech has not been totally denied, it certainly cannot be denied that freedom of speech has been curtailed.

We had the spectacle yesterday of the Prime Minister getting up and granting us a special dispensation, presumably out of the goodness of his heart. Sir, it was a humiliating situation to those who love the democratic procedure. Except for that, the Prime Minister has been almost silent. Let me say in all sincerity and honesty that I pity him in all this because I look upon him as a pawn of forces which he does not appear to recognize and which he perhaps does not or could not understand. It is peculiar that I say this. I readily admit that I could not understand them either, but I do understand something about the principles of democracy and how a democratic system works. The Prime Minister was treading upon dangerous ground when he put his stamp of approval upon the restriction of free speech in this house, because where freedom of speech is threatened liberty itself has begun to die. It has been really more in sadness than in anger that I have watched what has occurred during the last few days because I am a believer in democracy. I am also a believer in the rights of the majority, but the rights of the majority do not include the right to impose silence upon a minority either in this house or anywhere else.

Sir, I claim to be a patriotic Canadian. I love my country. I am proud of my country and I would like to be proud of my government. As I look across this house I say, "God help me, this is my government; I would like to be proud of it. And that is my Prime Minister". My country will never go back on me in the physical sense, but the government and the Prime Minister have done something to me in the last few days. I have not lost my trust in democracy nor have I lost my trust and belief in the democratic system, but I have lost some of my faith in the ability of this government to preserve them.

I have to refer to something which I would rather omit for the moment but I think I have time in which to deal with it. I want to refer to the speech of the hon. member for Macleod, a speech which I think shocked this house. In addition to saying we had lost the power to debate I was going to add that in view of the hon. member's speech we had lost something of the decency which we associate with this place. Here was a smearing process that would delight the heart of any McCarthy. Just because they disagreed with them the hon. member compared his opponents in this particular issue with the people who were walking up and down outside the house in that period. Well, there is no man in this house who can look me in the eye, and accuse me, my leader or any hon. member of this party of having communist leanings. In some places they get away with it. They get away with it in the country where people are sufficiently ignorant to be influenced by that sort of thing.

Here we have an alliance, which has been mentioned before, between my hon. friends

Northern Ontario Pipe Line Corporation

Rate Zone:	Price per MCF at load factor of:						Seasonal Off-peak		Excess Gas Interruptible:	
	100% A:	75% A:	63% B:	50% C:	37% D:	30% D:	A-B:	C-D:	A-B:	C-D:
Saskatchewan	21·3c	22·4c	24·2c	26·6c	29·8c	36·8c	23c	24c	19·5c	19·5c
Manitoba	26·0c	28·3c	30·9c	35·0c	40·9c	50·4c	25c	26c	18c	22·5c
Western Ontario (Man.-N. Nipigon) .	34·5c	37·7c	41·1c	46·5c	54·8c	67·6c	30c	31c	25c	27c
North Ontario (Nipigon-Cobalt) ...	43·0c	47·5c	51·8c	59·0c	69·9c	82·2c	35c	39c	29·5c	29·5c
Central Ontario (Cobalt-Whitby) ...	44·5c	49·3c	55·5c	61·4c	77·5c	95·6c	35c	36c	30c	32·5c
Eastern Zone (Whitby-Montreal) .	46·6c	52·1c	57·4c	65·7c	78·9c	97·3c	35c	36c	30·5c	33c

Approximate cost of Canadian gas to distributors at gates of major cities to be served:

City	Contracted Gas at Expected Load Factor—MCF:	Seasonal Off-peak:	Excess Gas Interruptible:
Winnipeg (at 60% Load Factor)	32·9c	25c	18c
Toronto (at 75% Load Factor)	49·3c	35c	30c
Montreal (at 75% Load Factor)	52·1c	35c	30·5c

All the above are general service rates. As of May 1, 1956, special industrial rates are available which will reduce the above rates according to the proportion of firm industrial sales in the load pattern of the utility entering into a contract with Trans-Canada.

Special contract sale at Emerson, Manitoba, to Midwestern Gas Transmission Company

Contract No. 1, a high load factor, firm sale, "take or pay" contract for 200,000,000 cubic feet per day, for twenty-five year period. During first three years only, gas may be accepted at Canadian-U.S. border at 75 per cent load factor, with price payable to Trans-Canada 27.27c. per MCF. During balance of contract only 95 per cent and 100 per cent load factors apply. Contract prices for high load factors are as follows:

1st Five Years		2nd Five Years		3rd Five Years		4th Five Years		5th Five Years	
100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:
25.08c	25.42c	26.06c	26.46c	27.08c	27.53c	28.07c	28.57c	29.09c	29.64c

Contract No. 2, to take effect only when and if Alberta and Canada authorize export of additional gas reserves surplus to Canadian needs and the U.S. authorizes import, would also be a high load factor, firm sale, "take or pay" contract for 200,000,000 cubic feet per day. Costs to Midwestern for gas delivered to it at Emerson under this contract would be about three cents per MCF higher than under contract No. 1, and would also increase about one cent per MCF at end of each five years of the 25 year contract. During first three years only, gas may be accepted at 75 per cent load factor, at a price of 31.05c. per MCF. During balance of contract only 95 per cent and 100 per cent load factors apply. The contract prices for the high load factors are as follows:

1st Five Years		2nd Five Years		3rd Five Years		4th Five Years		5th Five Years	
100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:
28.04c	28.52c	29.03c	29.55c	30.05c	30.63c	31.03c	31.67c	32.05c	32.74c

Mr. Hamilton (York West): May I ask the minister a question about load factor: What justification is there for calculating the price in Saskatchewan and Manitoba on load factor when a common pipe is being used for the transportation of this gas to Winnipeg?

Mr. Howe (Port Arthur): Mr. Chairman, what is the justification for calculating any price on load factor?

Mr. Hamilton (York West): Certainly, sir, this pipe is a common carrier to that point and the whole benefit to the company is gained from the distribution from that point, and surely in those two areas at least load factor should not be taken into consideration.

[Mr. Howe (Port Arthur).]

Mr. Howe (Port Arthur): Mr. Chairman, no gas pipe line is a common carrier or can be a common carrier. An oil pipe line can be a common carrier because batches of oil can be inserted into the line by a producer, kept intact and delivered at the other end of the pipe line to the producer or to his customer. That is not possible with natural gas, as my hon. friend will know, and no gas pipe line that I ever heard of, and I am sure none on the North American continent, is a common carrier.

Mr. Hamilton (York West): I am not suggesting, Mr. Chairman, at this point, the legal definition of a common carrier. I mean that all of the gas is passing through for distribution from that area; therefore, why

Mr. Howe (Port Arthur): Save your efforts for another attempt to be disciplined by the Speaker.

An hon. Member: Is that a threat?

Mr. Fulton: Is that a threat?

Mr. Howe (Port Arthur): You have tried, but it did not work. Has my hon. friend any questions he wants to put to me now?

Mr. Coldwell: Are you not going to tell us what a load factor is? Quite frankly, I do not know.

Mr. Howe (Port Arthur): Gas delivered at 100 per cent load factor provides that if 100,000 cubic feet of gas per day are bought at 100 per cent load factor then the customer must pay for 100,000 cubic feet taken every day regardless of whether he takes it or not. It is very difficult for any organization, except a large distributing system, to buy gas at 100 per cent load factor. The Tennessee Transmission contract calls for gas delivered at 95 per cent load factor and, as I remember it, the city of Winnipeg contract provides that gas will be delivered at 30 per cent load factor.

Mr. Stewart (Winnipeg North): Sixty per cent.

Mr. Rowe: Will the minister permit a question?

Mr. Howe (Port Arthur): Winnipeg buys at a load factor of fifty per cent and then 60 per cent.

Mr. Rowe: I would like to ask the minister a question. It is certainly understood that 100 per cent load factor would be lower. Will he give the average cost, the average price throughout?

Mr. Howe (Port Arthur): The average of what?

Mr. Rowe: The average rate.

Mr. Howe (Port Arthur): To whom, the distributing company?

Mr. Rowe: Yes.

Mr. Howe (Port Arthur): The average rate to the Union Gas Company, if you like.

Mr. Diefenbaker: The average rate all the way through, as put out by your own pet company.

Mr. Rowe: You might as well give them as the other. Take the lid off.

Mr. Hodgson: The boys can give it to you; that is what they are there for.

Mr. Howe (Port Arthur): To give the average across the country you have to make adjustments for transmission costs. But the average over the life of the 20-year contract at Winnipeg is 28·3 cents. Over the 20-year contract at Emerson the average is 29·34 cents.

Mr. Stewart (Winnipeg North): There has been a lot of confusion about these prices. I wonder whether the minister would be permitted to place on the record these prices, which at least appear to be definitive. There are at least four sets of figures that I know of giving the price of gas. The minister's figures are the latest and I assume they are the final ones. I think it would be of interest to members of the committee at this time if they could be placed in *Hansard*.

Mr. Howe (Port Arthur): With the permission of the committee I will be very glad to do that. I have the rates here.

The Deputy Chairman: Just for clarification, may I ask what these figures are? They were prepared by whom?

Mr. Howe (Port Arthur): They are the revised figures prepared by Trans-Canada and on which contracts for the sale of gas by Trans-Canada are being arranged at the present time.

The Deputy Chairman: Is it the unanimous wish of the committee that these figures be included in *Hansard*?

Some hon. Members: Agreed.

Mr. Howe (Port Arthur): The rates follow:

Contracts With Canadian Distributing Companies
(except special case, Union Gas Co.)

All contracts are for a 25-year period, with prices for the full period of the contract, without escalation. (Prices to U.S. customer, midwestern, increase about one per cent per 1,000 cubic feet at end of each 5-year period). Canada divided into six "rate zones", with rates equal for all customers within each zone. Distributors in each zone have choice between four schedules of general service rates, dependent upon the "load factor" each believes he can achieve in the type of market he serves, these being rate "A" (minimum load factor 75%), "B" (minimum load factor 63%), "C" (minimum load factor 50%), and "D" (minimum load factor 37%). A predominance of "space heating" market (winter sales) involves a low load factor. Year-round sales to industry, and interruptible sales to industry during summer months, make possible higher load factors, and hence lower average cost of gas to the distributor. Load factors will therefore vary widely between markets of the various distributors in each "rate zone", thus affecting the delivered cost of gas to each type of customer in the several markets. Following are examples of the actual average cost per MCF of gas that would be delivered by Trans-Canada at the distributors' gates in each rate zone, under the various load factor schedules (A to D) on firm contracts, together with the special rates for off-peak interruptible summer sales to the distributors in each rate zone.

Mr. Howe (Port Arthur): There is no foundation in fact for that statement which Mr. Waring made. Who told Mr. Waring?

Mr. Small: Bring it before a committee.

An hon. Member: Why all the secrecy?

Mr. Howe (Port Arthur): Secrecy? My hon. friend has long been corresponding with the opposition to the Trans-Canada application.

Mr. Diefenbaker: And I produced every line, but you did not.

Mr. Howe (Port Arthur): I could produce one or two lines you did not produce, but I did not bother to do it because I did not think my hon. friend's opinion was worth the trouble. It is all very well to ignore load factors and to ignore pressures, as he has done in this case. He is comparing the unequal. I have the rate schedule of Trans-Canada here, and it is based on contracts that have been made by Trans-Canada from one end of Canada to the other.

In the first place we will take the 100 per cent load factor contracts, and I will give rates to you for the various load factors.

Mr. Diefenbaker: What is the date?

Mr. Howe (Port Arthur): This is the current revised rate schedule for about 140 million cubic feet of gas contracts for which have been based on this rate schedule. Taking 100 per cent load factor, and that means people will buy and pay for gas at 100 per cent of maximum load each year—

Mr. Hodgson: What if it is not a 100 per cent load?

Mr. Howe (Port Arthur): That is the comedians. We have had the cardboard hero, but let us leave the comedians for another time. Taking a 100 per cent load factor, the rate in Saskatchewan is 21·3 cents per thousand cubic feet; in Manitoba, 26·2 cents; for western Ontario, west of Nipigon 34·5 cents; northern Ontario, that is Nipigon to Cobalt, 43 cents; central Ontario, 44·5 cents, and Whitby to Montreal, 46·6 cents.

Mr. Diefenbaker: What is the undistributed price at Niagara; how much is that to be sold for?

Mr. Howe (Port Arthur): There is no contract for gas at Niagara, undistributed, and no application for export of gas at Niagara. However, if you want the rates for interruptible gas, the interruptible in Manitoba is 23 cents; western Ontario, 28 cents; northern Ontario, 32 cents; central Ontario, 33 cents and eastern Ontario, Whitby to Montreal, 33 cents. Those are the prices for the sale of gas in Canada.*

Now, what load factor had my hon. friend in mind? I can give him the rates. He was mixing his load factors all over the map, but if he wants to compare rates under the same terms and conditions I can give him the rate based on any load factor he cares to name for any localities he may name.

Mr. Pearson: He does not know what you are talking about.

Mr. Howe (Port Arthur): He does not know what a load factor is. I am sorry that the opposition, which has given great study to the matter, seemed to believe the hon. member for Prince Albert because they were applauding his figures as though they were accurate, although a member of the Conservative party took the trouble to put accurate rates on the record several days ago amid dead silence from his party and no approbation whatever.

I think that answers the questions. I have already covered the ground about the Northern Natural contract. Trans-Canada had a contract with them at 29 cents. Northern Natural applied to the federal power commission. Such strong opposition came from the customers of Northern Natural that the application was shelved, and since the contract was dependent on approval within a certain date the contract lapsed with the expiry of time. An attempt was made later on to renew negotiations. I am told that Mr. Merriam went to Calgary and an attempt was made to arrive at a new rate basis, and that proved to be entirely impossible. At that time Mr. Merriam was not prepared to make any firm offer. Subsequent to that a contract was made with the Tennessee Gas Transmission Company and it was some months subsequent to that before Gardiner Symonds acquired an interest in Trans-Canada and became a member of the board.

The Minister of Finance has suggested that I say something about what a load factor is. If I have to start that far back it is rather hopeless, but I am sure that the hon. member for Prince Albert does not know what a load factor is.

Mr. Rowe: Tell the Minister of Finance.

Mr. Diefenbaker: Tell me what a 75 per cent load factor is, too.

Mr. Rowe: He would like to understand it. The Prime Minister does not seem to understand it. Tell the Minister of Finance.

Mr. Fulton: Is that the same rule you used to put it through the House of Commons?

*See revised figures on page 4475, column 2.

That record cannot be contested; it is from Trans-Canada Pipe Lines itself. It shows that Canadians are to be taken for a ride for the benefit of Gardiner Symonds, the Midwestern pipe line company and the Tennessee pipe line company. We are to pay, they are to get and Canada is to guarantee. That to me is the terrible indictment with which this government stands charged; the hiding of information, the concealment of facts and the answering of argument by simply saying "It is a distortion". Facts are not answered by statements such as that, particularly when the person making them has fooled this House of Commons on so many occasions on so many matters.

I have only to recall, Mr. Chairman—even my hon. friends supporting the government cannot have forgotten the incident—that only a few weeks ago the Minister of Trade and Commerce denied that he had ever heard from McMahon, that he had any documents from him, over and over again. Then when finally he found out that one of the other members of the cabinet had a copy or that there was a third copy, he finally said, "Well, I did have correspondence, but that correspondence was private and confidential".

Let us pass on to the next argument about McMahon. They say that McMahon's proposition could not be accepted because it implied the export from Canada of 400 million cubic feet of gas—that is what the original proposition set forth—and that would be too great a proportion, the Minister of Agriculture said, of the amount available for export.

I am going to disagree with that, for the sake of argument, but I ask the Prime Minister to find out from his colleagues—just conduct a little Gallup poll—which of them communicated with the Northern Natural Gas Company in the United States to find out whether they would be prepared to give the same price to McMahon for 200 million cubic feet or 100 million, on the promise that in the future that would be reconsidered. I put it through you, sir, to the Prime Minister, that one of his colleagues did communicate with these people who said, "Yes, we will accept less than the 400 million cubic feet covered by the McMahon proposal, and we will pay 6 or 7 cents more per thousand cubic feet than that favourite of this government, the Midwestern pipe line company, the infant of the Tennessee corporation, under the presidency of Mr. Symonds, a director or executive of Trans-Canada Pipe Lines."

I have three minutes more, and I would have liked to ask quite a number of questions. Before I ask any more, I should like answers to those questions I placed before the house two weeks ago yesterday, for if we get answers to them we will certainly be in a position to ask further questions based upon those answers. I should like also to ask one additional question. At the time Mr. McMahon engaged in the telephone conversation with the Minister of Trade and Commerce and suddenly out of a blue sky withdrew the offers he had made which were so complete that they even covered the defects of the Trans-Canada proposal, did the minister pronounce a seven year curse on McMahon unless McMahon did withdraw that offer? I want Mr. McMahon brought here. I should like to see him before a committee, and I should like to be able to ask him what happened. What was the conversation between the Minister of Trade and Commerce and Mr. McMahon? Certainly I do not believe the minister would be careful of his language. He certainly has not been too careful in his desire to destroy parliament by the steamroller.

I should like also to ask a number of questions in regard to the proposition that was offered by Northern Natural Gas Company. I should like to ask the Minister of Trade and Commerce whether Gerald Waring was right when he quoted the reason Northern Natural Gas Company had its offer swept aside in July and August of 1955, an offer to pay some 6 or 7 cents more per thousand cubic feet in Minneapolis, the area served by that company. I should like to ask whether on that occasion, as reported by the gentleman I mentioned, on March 6, 1956, the minister said when speaking to Mr. Merriam, the president of Northern Natural Gas Company, as long as he was running the Canadian economy Northern would never get one cubic foot of Canada gas.

Was it because of that statement, which Mr. Waring says the Minister of Trade and Commerce made to Mr. Merriam, the president of Northern Natural Gas Company, that the Canadian people are to be mulcted in this way, the Canadian consumers are to pay more than the United States consumers, and the Canadian producers must thereby suffer?

Mr. Howe (Port Arthur): Mr. Chairman, let me say at the outset that there is no foundation in fact for the last statement made by the hon. member. I had no such correspondence with Mr. Merriam and I had no such conversation with Mr. Merriam. I have not seen Mr. Merriam for at least 12 months.

Mr. Diefenbaker: That was July, 1955.

Mr. Lennard: That could have been over the telephone.

in order to make up for the unusually low offering prices to the American companies.

Again I ask this question. Can you conceive of the presentation to parliament of a proposition whereby Gardiner Symonds, one of the heads of Trans-Canada Pipe Lines, is himself the major purchaser in the United States? Who is going to win out in that proposition? The Canadian producer? The records tell the story as to what is happening. The Canadian consumer will pay through the nose in order to assist the United States company, namely the Tennessee company and its subsidiary, to secure gas at a price seven or eight cents per thousand cubic feet cheaper than the price Canadian consumers will pay, and let nobody deny it. I was waiting for some of the anvil chorus to deny it.

I have before me the presentation made with regard to Midwestern Gas Transmission Company, Docket No. 9, exhibit X-33, Trans-Canada Pipe Lines Limited rate schedules. I wish I could put the whole record on *Hansard*, because it tells the story. However, I shall have to content myself with merely quoting from it. Between November 1, 1956, and November 1, 1957, the average rate per thousand cubic feet in Saskatchewan will be 26·6 cents; in Manitoba for Winnipeg and Central Gas, 32·9 cents; for other people in Manitoba, 40·9 cents. Midwestern will buy it at Emerson for 26·8 cents. Why does this Midwestern company become the beneficiary of Canada's public charity? Why is this company going to be able to buy at Emerson—when the price should be about one cent more per thousand cubic feet, having regard to the distance between Winnipeg and Emerson—at 26·8 cents while other people in Manitoba will pay 40·9 cents, and while Winnipeg and Central Gas Company will pay 32·9 cents?

Some hon. Members: Shame.

Mr. Diefenbaker: Why? What is the reason for this transaction? Why must we push through parliament by June 7 a bill to enable Canadians to be taken for a ride? That is the simple question. I go on from there. What is their schedule between November 1, 1957, and November 1, 1958? It is still 26·6 cents in Saskatchewan. In Manitoba for Winnipeg and Central Gas it is 32·9. For other companies in Manitoba it is 40·9. The Midwestern Gas Transmission Company will get the gas at 25·9. Now we come to what they are going to charge in Ontario. Western Ontario will pay 42·2; northern Ontario, 52·7; International Nickel, 51·5; North Bay to Toronto, 77·5; Provincial Gas Company, 46·1; Dominion Gas Company—these are the various rates for these other firms—66·2; Toronto and area, 51·5. At what price are we going to dispose of the undistributed part outside of Canada? At 35·67 cents at Niagara.

Some hon. Members: Shame.

An hon. Member: Robbery.

Mr. Howe (Port Arthur): To what records is my hon. friend referring?

Mr. Diefenbaker: That is the submission I quoted from a moment ago.

Mr. Howe (Port Arthur): It is a complete distortion of the facts and no one knows it better than does my hon. friend.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The minister can make a statement afterwards.

Mr. Howe (Port Arthur): May I ask my hon. friend on what clause of the bill he is talking?

The Deputy Chairman: Order. I think it has been made clear to the committee on several occasions that unless an interruption is caused by a direct accusation or personal privilege, the hon. member who has the floor is entitled to be heard. If his descriptions or his conclusions from alleged facts are not agreed to by others, they will have the right to contest them at the conclusion of the member's speech. He cannot be interrupted without his consent.

Mr. Diefenbaker: I have heard my right hon. friend talking about distortion of the facts. There is no one who is a postgraduate in the way he is, having regard to the number of distortions he has made. I am quoting from the figures prepared by Trans-Canada Pipe Lines Limited of room 208, 25 Adelaide Street West, Toronto 1, dated September 19 1955, and filed before the United States federal commission.

Mr. Hodgson: The cat is out of the bag.

Mr. Diefenbaker: Thank the Lord we have an application before the United States board that we can go to and find out the truth about this matter.

Mr. Rowe: You cannot find it out here.

Mr. Coldwell: May I ask a question? Are those the wholesale prices?

Mr. Diefenbaker: Yes. Those are the prices that will be charged between November 1, 1958, and November 1, 1959. Here are the various prices, and they range from 39 to 77·5. The export price from Canada at Niagara will be 35·67; and so on it goes throughout the whole piece.

the days of John Wilkes in the mid-eighteenth century. It is, therefore, interesting to read that in 1621 parliament, then dominated by the sovereign, not by the sovereign's chief minister, asked that something be done to restore freedom to parliament, and that at that time this was said:

. . . in the handling . . . of those businesses every member of the house hath, and of right ought to have, freedom of speech to propound, treat, reason, and bring to conclusion the same.

An hon. Member: "Bring to a conclusion".

Mr. Diefenbaker: In 1956 the Prime Minister was afraid of parliament. He was afraid of discussion. He was fearful that if certain questions were asked the government would find itself in a difficult, if not impossible, position. What did James I do? Well, James I dealt with the situation very quickly. He answered the protestation. He sent for the journals of the house and with his own hand tore out the pages containing the protest. The Prime Minister did not do that. He only made it impossible for the journals to contain freedom of speech during the days that it was denied in this house. Yes, the last two weeks have been sorry days.

Some hon. Members: Oh, oh!

An hon. Member: What an orator.

Mr. Diefenbaker: My hon. friends laugh—sorry days for the Canadian parliament, sorry days when a majority adopts "brutalitarian" tactics in order to deny this parliament freedom of speech.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Oh, yes, they realize it is true. They have deprived us of our rights under the specious claim that there is a fixed date, June 7, a day beyond which men in Canada may not go in discussion, the zero hour, the end of all things. Mr. Chairman, it is ridiculous. I do not wonder that my hon. friends laugh. When they say to parliament that we have until June 7 and beyond that date there will be no more freedom of speech on this matter, who set the date? What have you been doing for five long years? Playing around with this corporation, with these adventurers from Texas and New York trading away Canada's natural resources at the expense of the Canadian people. No, we have not learned the answer yet as to why the government is so solicitous with respect to this company whose only capital is a few million dollars and, of course, all the power of the cabinet and those associated with them to force this matter through the House of Commons.

Is it for the benefit of the Canadian people? Is it to benefit the Canadian producer and consumer? I asked the Prime Minister a simple question yesterday, as to how the federal power commission is getting along; because after all, we will have a pipe line from Winnipeg onward provided the federal power commission of the United States allows us to have it. The Minister of Trade and Commerce spoke of the pipe line being under the laws of Canada. Yes, the statute, the incorporation, is under the laws of Canada, but the actions of this corporation are dependent on a corporate body under the United States government. I asked the Prime Minister how are things going over there, have you an observer, and the answer was that there was no information.

What are they doing over there? For the past three months they have been discussing the matter. They have 200 pounds of documents, and there are 118 lawyers discussing it. There are 112 different dissenting interests. Sometimes I think before they are through they will give us an idea as to the meaning of eternity. Yes, on and on they go; and we in Canada are to have a pipe line from Winnipeg onward to meet the demands of eastern Canada if the federal power commission in its wisdom, decides—its decision then being subject to appeal to the supreme court of the United States—that gas shall be imported into the United States.

The Minister of Trade and Commerce said last night that one of the reasons we are in this position where time is so much of the essence is the tightness of money, that recently the supply of money has become tight. Sir, money may have become tight, but money is still available for sound projects even though the interest rate may be a little higher. If Trans-Canada were a good risk it would not have to go begging all over Canada and the United States to get money and finally end by asking for a guarantee of the people of Canada. It is not that money is tight, but the fact that this company has nothing but the adventuresome spirit as capital in coming before the Canadian people and endeavouring to put over this proposition.

Is it beneficial to the people of Canada? Well, the place to go and find these things is in the records of the federal power commission. I have the record here showing the prices that are to be paid.

What are the prices that are to be paid by these American companies, including Mid-Western Pipe Line Company, the infant of the Tennessee corporation that is headed by Gardiner Symonds, who also happens to be a member of the executive of Trans-Canada Pipe Lines? They are going to see to it that the Canadian gas consumers will be obliged to pay unusually high retail prices

Secretary of State for External Affairs how different things would be. In the last few days considerable reference has been made to a book containing a compilation of certain addresses given by the hon. gentleman. While I cannot on this occasion, with my limitation of time, quote extensively from that book I do commend it to the Prime Minister. It is entitled "Democracy in World Politics". It is a work well worthy of study. The Prime Minister might permit the Minister of Finance and the Minister of Trade and Commerce to have a look at it. The Prime Minister has learned in recent days that under our system of government the sovereign is the people, and I should like to quote from page 60 of this book where the following is stated:

> In the eighteenth century, the sovereigns in question were usually individuals. Today they are hundreds of legislators, millions of newspaper readers, radio listeners, or television viewers. Particularly our sovereigns are voters—

The Prime Minister found that out in the last two days, when on behalf of this government he embarked upon the most supercilious and cynical disregard for parliament, when he established executive absolutism, when he decided to place the party which he represents above parliament. The people of Canada spoke, and yesterday the Prime Minister made a partial retreat. It was not a retreat to restore to parliament its rights. I should like to quote from this book several particularly appropriate quotations. Speaking about the value of parliament, the hon. gentleman has this to say on page 68:

> A substantial part of their value, like that of national parliaments, lies precisely in the ability to mobilize and focus opinions, to encourage the formulation, expression, and dramatic confrontation, of major viewpoints.

I give that to the Prime Minister. The Prime Minister tried to prevent that. Two weeks ago we asked a number of questions, and instead of answering any of those questions those associated with him hid behind their majority and tried to delude parliament and the Canadian people. Again my hon. friend had this to say:

> By bringing issues out into the public, and ventilating them, throwing light into dark places—

Page the Minister of Trade and Commerce.

> —and thereby encouraging more care and responsibility by administrative authorities who understandably hesitate to do things of which they would be ashamed if they were publicly examined in a searching forum.

Then on another page he says in effect—I could give the exact quotation if necessary—that democracy is more than the counting of heads. I suggest that this book of wise information henceforth be the basis upon which the Prime Minister and those associated with him should endeavour once more to restore parliament to its former position. When the Minister of Finance endeavoured to explain why such devious methods were being used to ration freedom of speech and to deny it, he stood in his place and said there were two reasons, one being that on one occasion I had made a speech over the radio. I read that portion of the speech which he used, along with the triumvirate who have endeavoured to deny parliament its rights. The excuse given by the minister was not even subtle. This is what I said on that occasion:

> In July, 1955, the Conservative party fought, under the inspiring leadership and generalship of George Drew, for the restoration of parliamentary supremacy. That was when Mr. Howe tried to force through parliament the grant to himself of a blank cheque of absolute and dictatorial powers under the Defence Production Act. That battle we won. But let me tell you that the fight we put on then will appear but a skirmish beside the battle we shall wage when the bill respecting Trans-Canada Pipe Lines Limited comes before parliament.

The minister says, with that specious sanctimoniousness he displays—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —that the reason they brought in closure, the reason we are denied free speech, the reason we have departed from the principles of Sir Wilfrid Laurier and others is that suggestion I made. What an explanation.

An hon. Member: What a speech.

Mr. Diefenbaker: Yesterday the Prime Minister, finding that he was on a bed of public torture because of his own actions, was brought out of his position and, having found himself in that position, revealed in his speech that after all even a majority as great as he enjoys must have a conscience for parliament. Oh, you have the power; you count your heads, while the Secretary of State for External Affairs says that democracy is more than that. You thought you could override, that you could conceal by the overwhelming power of your majority, but the Prime Minister and those associated with him have learned that the men and women across Canada, the citizens, the press of this country, without regard to party considerations, will have none of it.

Yesterday the Prime Minister, endeavoured once more, by a technique so crude as to be transparent, to return out of the kindness of his heart a portion of the rights of parliament. The Prime Minister has always been a great student of history. One has to go back to the days of James or Charles in order to see similar conduct, conduct which was generally believed to have ended for all time; but that spirit of tyranny came back during

of view being espoused by the hon. member for Peace River, coming as he does from the province of Alberta and to a certain extent being a spokesman for the oil producers of that province, but coming from the Minister of Trade and Commerce I do not think it is a legitimate argument. It seems to me it arises out of a complete misunderstanding of the whole basis of the function of a public carrier in this country.

To say that because a thing is publicly owned by a crown corporation which is not primarily concerned with the making of profits but only with returning to the general citizenry of Canada a reasonable return on the public funds which have been invested, it is going to be put in an awkward position or is going to work to the disadvantage of either the producers or the consumers, is not a reasonable statement in my view. It is obvious to me on which side of that proposition the balance of favour lies.

I am no expert in the transmission of gas, but I think everyone regards this pipe line as essentially a public carrier. What would have prevented the government from establishing a policy that would create a crown-owned corporation which would have required a producer pool on one end of the line, if you like, and a consumer pool on the other end of the line? These two groups could have negotiated the price of gas at arm's length and there could have been charged, for the purpose of carrying the gas through the line, a reasonable and proper cost of operation plus enough to provide a small return on the investment. There may be objections to that approach to the question, but frankly I have not been able to see them. That would mean a producer would receive as nearly as possible the full value of his product and the consumer would receive, as nearly as possible, gas at cost price plus the cost of transmission across the country.

Another objection which the minister raised was that there are other fuels besides gas in the picture in eastern Canada, and of course no one can deny that. Let me say first, however, that the statement made by the minister points up as clearly as anything can the correctness of the position so often taken in this house by the hon. member for Cape Breton South and other hon. members of this group, in which they advocated the development of a proper fuel policy in this country and the setting up of a national fuel board.

I would suggest that when we move into this field, which is so obviously an undertaking of national magnitude, it would be a good time to consider the development of that kind of policy. The best way to consider the development of that kind of policy would be to create this pipe line as a publicly-owned corporation so that the policies which were pursued by it would be under the responsibility of the government and of parliament and of the people of Canada. I would submit that the argument of the minister does not constitute a very adequate reason against the proposal which has been advanced by the hon. member for Rosetown-Biggar and other members speaking on behalf of this group.

I did not take note of the time when I rose, but I imagine that my time has almost expired. In conclusion I wish to say that during the little opportunity there has been for this debate to progress I have been convinced of the soundness and the correctness of the position advanced by those in this corner of the house. If there might be some difficulty in implementing the policy which we are proposing at this time, if as the minister tries to maintain it would result in some little delay in starting the construction of the pipe line, it would be consistent with the statement he himself made that it would be more in the interests of long-term planning for us to avoid surrendering these things in the interests of a short-term advantage.

Mr. Diefenbaker: Mr. Chairman, in the time at my disposal I intend to deal with two matters only. One is the action of the government in recent days and the effect of that action on parliamentary government, and, secondly, the fact that under the prices provided for the sale of this gas to United States interests, Canadian producers and consumers are being sacrificed on the altar of the overwhelming ambition of the Minister of Trade and Commerce.

I like to recall the days when the Prime Minister was a democrat, when he was president of the Canadian Bar Association, and when he made some of the most attractive and alluring speeches on the subject of freedom and democracy. I was particularly impressed with his presidential address delivered in 1931, when he dealt with parliamentary government, and the need of preserving those things which are of the essence of democracy, and the grave danger of deviating from principles for immediate advantage. On that occasion he quoted with approval the words of Lord Bryce as follows:

> Few people stop to think of the principles. What interests them is the concrete instance and it would be deemed pedantic to suggest that an apparent immediate benefit should be forgone lest deviation from principle should set a dangerous precedent.

Never was that case better stated than 25 years or more ago by the present Prime Minister of Canada. Indeed, if the Prime Minister would take into his confidence the

that this pipe line is going to remain in Canada. Nobody has disputed the fact that the board of transport commissioners will have jurisdiction over it. But the fact remains—and I think the minister will agree with this—that the management of an operating company does have something to do with the policies that are followed by that company, even though there are certain legislative controls over its operation, and that the policy of a company which is set by a board of directors has something to do with how the operations of that company are carried out. It seems to me that is the crux of the matter about which the hon. member for Rosetown-Biggar was speaking. For the minister to attempt to throw up this smoke screen about the pipe line still being in Canada and therefore under Canadian jurisdiction is to beg the question entirely.

Mr. Wylie: The majority of directors are going to be Canadians; by statute, they have to be.

Mr. Knight: So they have to be in the loan companies.

Mr. Barnett: I would suggest that across this country there is a genuine and increasing concern, particularly among the working people who are dependent upon the operations of industries of various kinds for their jobs, their incomes, for the maintenance of the stability of their homes and the welfare of their children, over the fact that more and more of the industrial policy of this country is being made by and is under the control of people who are outside of it.

When that condition prevails, where you have Canadian industry subsidiary to the operations of its counterpart across the line or under the control of people whose first loyalty as citizens is to another country, situations are going to arise in increasing measure whereby the welfare of the Canadian working people will be pushed to the sidelines in the interest, first of all, of the profits of the people who direct the private enterprise. Second, when it comes to a choice between the welfare of the working people in this country and those on the other side of the line, those in control quite naturally and properly are going to give their prior loyalty to the interests and welfare of the people in the country to which they belong. That, I submit, is a real and legitimate cause for concern on the part of hon. members of this group, and one which we certainly should put forward in connection with the proposal under discussion.

The minister has attempted to list some of the objections he sees to the proposal which this group has made that a project of this magnitude, which is in effect a national public utility, should be under the ownership and direction of a crown corporation. He has attempted to list some of the objections which he feels would prevent him from—as I recall his words—"grasping the nettle of public ownership". I must confess, Mr. Chairman, that I still have not been convinced by what the minister has had to say on that score.

The first objection, of course, was that apart from the deal which he is proposing, no pipe would be available. Well, in reply to that I would say that two things become evident. The first is that if no pipe is available for the construction of a utility of this kind in Canada, we are today reaping the seeds of the mismanagement or lack of management in the approach to this whole pipe-line question which has rested on the shoulders of the government over the last five years. Second, and apart from that, it is an admission that someone is holding a gun to the head of the government. Surely the minister does not expect the members of the Canadian parliament to welcome a situation wherein anybody is holding a gun to the head of the government, nor can we be expected to approve of a situation under which that possibility has been allowed to develop.

Another objection which has been raised is in connection with the policy it is suggested is held by the government of the province of Alberta or, as suggested by the hon. member for Peace River, the oil-producing interests. There again I suggest a situation is revealed which, if it is correct, is completely intolerable to self-respecting Canadian citizens and hon. members of parliament. No group of private interests, oil-producing or otherwise, and no single provincial government in Canada should be allowed to hold a gun against the heads of the rest of the people of Canada.

If those things are true then I would suggest there can be only two explanations. One is that the minister has lacked the courage to face up to the situation, a thing I would hesitate to suggest. The other is that over the course of the last few years the minister has not had the vision to foresee that this kind of situation was developing, and he did not take the proper action in the face of it.

Another objection brought up by the minister and elaborated upon to a certain extent by the hon. member for Peace River—and this relates specifically to the proposal that the pipe line should be a publicly-owned utility—was that the owners of the pipe line were going to be caught in a price squeeze between the producers on the one hand and the consumers on the other. Perhaps there might have been an excuse for that point

last February when, as they will recall, they made a number of delaying motions of one kind or another, but when nevertheless an agreement was reached that the subject matter of that bill would be referred to a standing committee of the house where it did receive a very thorough discussion.

I am rather surprised that in the light of their experience last year and in the light of the kind of support they had last year for having what was known as the international rivers improvements bill referred to a standing committee of the house, this year they have not seen fit to support the idea of having this bill sent to a committee where it could have received proper and adequate study.

Mr. Wylie: You are only a new member; you will learn.

Mr. Barnett: One can reflect upon the situation that exists in this house, and in the light of the kind of approach that was taken by the hon. member for Macleod last night one can say that in view of the fact that the Social Credit group is playing footsie with the government party, if I were to—

Mr. Wylie: We would rather play footsie with them than play it with the communists.

Mr. Ellis: You are using the same tactics.

Mr. Barnett: If I were to follow the tactics that were employed last night by the hon. member for Macleod, in the light of this association, this playing footsie, I should be getting up here today and suggesting that I expect any day to hear that the premier of British Columbia is offering a cabinet post to the leader of the Liberal party in British Columbia. That makes just about as much sense as the kind of thing the hon. member for Macleod said in this house last night. I would suggest also that perhaps the Minister of Trade and Commerce would be well advised to have regard for the source from which the only support he has received in this house is coming, outside of that which is being given to him by his own followers, because it has become only too apparent to me that the members of the Social Credit group in this house seem only too willing not only last year but this year, to lend support to any proposition that is going to sell the birthright of the Canadian people for a mess of potage.

Mr. Wylie: You are nuts.

Mr. Barnett: And in so doing they appear to be only too ready to end up by backing any provincial government, be it that of British Columbia or of Alberta, which is about to do that kind of thing.

Mr. Wylie: He has the rope; all he has to do now is hang himself.

Mr. Barnett: If I were home in British Columbia—

Mr. Hansell: You had better go there.

Mr. Wylie: He will stay there, too.

Mr. Barnett: —I would not be very much surprised to see this kind of proposition being brought forward, because out there we are becoming used to this kind of thing under the leadership of the political maverick who is now premier of British Columbia. We scarcely lift an eyebrow any more when somebody brings in a proposal to give away valuable natural resources, a valuable part of the heritage, or the wealth of the Canadian people. But I must confess that I am still at the stage where I am rather surprised to see that sort of thing being brought in by the Minister of Trade and Commerce.

Last year he did take some action which, as is well known, was supported by the members of this group, to prevent the implementation of what quite frankly I and my colleagues considered to be a harebrained scheme that was going to be implemented by Mr. Bennett, the premier of British Columbia, with his colleagues, Mr. Bonner and Mr. Sommers, to name only some of them. On that occasion the Minister of Trade and Commerce made a statement which I think still stands. On February 4 of last year he made these remarks, which will be found at page 871 of *Hansard*:

> It will be the duty of the government of Canada to make sure that the short-run advantage is consistent with long-term planning.

Now, Mr. Chairman, I have listened to some of the statements made by the minister in this debate, and the best I am able to say about them is that there may be some minor short-term advantage in what he is proposing to the house but, in my opinion, certainly this proposal is not, to use the minister's words, consistent with long-term planning.

I was rather surprised that again last night the minister should reiterate what he had previously said, and which had been seconded and repeated by the Minister of Northern Affairs and National Resources in his speech, about the control remaining in Canadian hands because the pipe line was being built in Canada. He went on to repeat a long list of controls that were exercised by the board of transport commissioners, by the governments of the provinces, by the power of the government over export permits for gas, and so on.

I would submit, Mr. Chairman, that the minister has obviously missed the whole point that my leader attempted to make in regard to this matter of Canadian control. Nobody in this house has disputed the fact

In any event, we are faced here with a patchwork solution which is part private enterprise and part public enterprise. Not only do we have a patchwork solution but we have had a patchwork procedure. The minister in his enthusiasm, and I think perhaps that is the key, because the minister is an enthusiast, felt he had to get this thing done and he found it was slipping out of his grasp. He not only got himself involved in a patchwork solution in order to get his result, but he has forced on this house a method of procedure which is also patchwork and wholly undesirable.

Mr. Barnett: I recall, Mr. Chairman, that quite some time ago now the hon. member for Esquimalt-Saanich was speaking about this bill and the pipe-line construction. He then drew to the attention of the house the fact that the passage or otherwise of this bill was not going to make much difference to the amount of natural gas that was going to be available on Vancouver island. The inference one could probably draw from his remarks at that time was that not many of his constituents or mine were very greatly concerned about this particular pipe line.

However, I have had one or two communications indicating that the situation in that respect has been changed. Perhaps the best example is a telegram which I received yesterday morning from the officers of the local union to which I happen to belong. Perhaps a little facetiously they suggest:

> Request you ask "Santa" Howe to loan us $10 million to build a hot air pipe line from east.

I bring that to the attention of the committee, Mr. Chairman, to indicate that as this situation has developed, the question not only of a pipe line but of parliament itself seems to have become increasingly involved in this debate and is becoming of concern to the citizens of Canada even as far from Ottawa as Vancouver island. So, Mr. Chairman, I am quite happy to rise for the first time to take some part in this discussion.

During the course of this debate there have been various people quoted on a variety of subjects. I have a short quotation here which I should like to give to the committee at this time. It reads as follows:

> Mr. Blackmore: ...We are not staging a filibuster, as the Minister of Trade and Commerce unfairly suggested—
>
> Mr. Tucker: It is a good imitation.
>
> Mr. Blackmore: —on Friday, February 11, as reported at page 1100 of *Hansard*. I am really astounded that after the very small amount of discussion we carried on, our opposition should be talking about a filibuster. It indicates that in Canada parliament has fallen to a contemptibly low level when people cannot talk any longer than we have talked about a matter of the importance of this bill without having a smear made against them.

[Mr. Michener.]

That, Mr. Chairman, is a quotation taken from the remarks made on February 22, 1955, by the hon. member for Lethbridge, as found at page 1417 of *Hansard* for that date. Having read that, I must say I am rather reminded of the contribution, if one could call it that, which was made to this discussion last night by the hon. member for Macleod. I am reminded of his speech by the last phrase which I quoted from the hon. member for Lethbridge, in which he says:

> . . . we have talked about a matter of the importance of this bill without having a smear made against them.

Last night the hon. member for Macleod made one or two references, and I listened to him carefully, to people whom he described as communists.

Mr. Hansell: I did not say that.

Mr. Barnett: I am not suggesting whom he described as communists. He described some people out in front of the building as communists, and a number of other people. I would simply like to say that I happen to have had a little bit of experience in fighting communists a few years ago when the union to which I belonged was controlled by communist leadership. I want to say also that as a result of that experience I have a little bit of acquaintanceship and knowledge of what are often referred to as communist tactics and the communist approach. In the speech which was made last night by the hon. member for Macleod, I had no difficulty whatever in recognizing the use of the kind of tactics which, of my own knowledge, I know only too well are employed by communists, the technique of the smear and the big lie.

Having had some experience in dealing with people who are professionals in the use of those tactics, I can only add that I feel the hon. member for Macleod has quite a bit to learn; that his technique, to put it mildly, is rather clumsy, and that if he were to go to the Lenin institute and take a finishing course he might be more successful in fooling more of the people in Canada than his remarks last night are apt to do.

To come back to the remarks of the hon. member for Lethbridge of last February, I am reminded that not only the hon. member for Macleod but the leader of the Social Credit group, the hon. member for Peace River, at the outset of their speeches dwelt with the question of the filibuster which they accused the opponents of the present measure of carrying on. Because of that fact perhaps I should point out to them that there are some differences between the situation that prevails now and the situation that prevailed

What would make sense? I suggest that if Trans-Canada, who so confidently asserted their ability to build this all-Canadian natural gas pipe line were asked to perform, that would make sense to me. If they were asked to perform or forfeit their permit, that would make sense. Whether or not they will or whether or not they can is something the minister has probably concerned himself with over the last many months. I am sure he has been concerned about whether they can.

I have suggested that perhaps they do not want to, that they are not interested unless they can get gas across the border at Emerson. That is natural. The controlling interest in this company, the Tennessee company which appears to be making the decisions as far as the Trans-Canada company is concerned, want to distribute Alberta gas in the midwestern states.

As soon as they came into the picture last year the minister should have been on notice that there was trouble ahead, because here was this Tennessee company seeking to displace the natural purchasers of surplus gas in that area, the established distributing companies, Northern Natural, Peoples and others. Trans-Canada is making an attempt to displace them in going before the federal power commission for that purpose. Anyone who knows the economics and the control of public utilities as well as the minister does might well have been on guard, knowing that the federal authorities were not going to have an open and shut case before them but that they were going to have the most strenuous opposition to this project of Tennessee.

Even after the northern Ontario section was agreed upon the minister should then have been aware of the fact that his difficulties were not over. It has been said that the import of gas at Emerson by Tennessee will never be approved, and that may be so. But another warning was given in a report which the minister is certain to have read. I refer to the report of Clarkson, Gordon and Company dated November 18, 1955, which states:

> It would, therefore, appear desirable that further consideration should be given to the development of a plan of action to be adopted in the event that the company's plans should fail.

That was the company's plan under which the northern Ontario section would be built with the assistance of the Ontario government and of this government. There in November of last year was a distinct warning. If this project were to fail or were to depend upon the availability of pipe and the government were to be presented, in order to get something done, with demands of the kind that are embodied in this bill on the part of Trans-Canada, it seems to me that the government if it had been alert should have developed some alternative means of dealing with this project.

I should like to have seen the government at that stage explore the possibility of bringing pipe from the United Kingdom. It seems to me that with as much wheat as we have to sell, the difficulty about exchange and the difficulty of the United Kingdom in obtaining dollars, if the government is going to use public funds in any way in connection with this proposition and there is no pipe available in Canada, it would have been a natural trade arrangement to import pipe from the United Kingdom as an offset to our sales of wheat to that country.

Now, if what I have said is correct, it would make sense to cancel this contract with Trans-Canada Pipe Lines. It would make sense to me, if that were done, to afford other Canadian companies—there are 22 that have been incorporated—an opportunity to build the pipe line. Some of them have the capacity, but whether they have the power is another matter. Canadian interests should be given an opportunity to carry on from the point where the others have left off. I do not think the government is lacking the power to bring that about. They could make an arrangement with Trans-Canada which would make the work of Trans-Canada available to their successors. It seems to me that would make sense.

We do not know, we are not in a position to say, but the minister says there is no other private company which will undertake the building of this line. We have heard of several and we should like to investigate those. It is for that reason we wanted this matter sent to a committee. Whether or not there are such companies, it seems to me it would make good sense to ascertain that fact and to really make sure there are no other Canadian interests capable of doing this work before we go on to the next stage which we have advocated as a policy, that is the use of public funds to build the line.

We have not advocated public operation of this system. We have agreed that if it cannot be constructed by private capital, then the project should be undertaken for the good of Canada as a whole and the construction should be undertaken as a public enterprise. That is not a difficult thing, either, to bring about in a sensible way. The Trans-Canada scheme is there, and it could be taken over. Before we go to that stage, because of the many complications that are involved we should like to be satisfied that it is necessary.

Mr. Tanner's answer was:

Oh, no, no, it could not develop upon that but that would be helpful to us in the early years . . . We feel it is not essential but we feel it is helpful . . .

So there we have the early promise, when this liaison between Trans-Canada and the government began, of construction of a line on an all-Canadian route without assistance. Then we have the next step when Trans-Canada found either that it had promised more than it could perform or than it wished to perform.

I raise that point because Trans-Canada, as has often been pointed out in the course of the last two days, is owned 83 per cent by three large United States corporations all interested in the transmission of oil and gas, namely the Tennessee Corporation, Gulf and Continental and their subsidiaries and it may be questioned whether their real interest in Alberta gas or western gas is not the imposition of that gas into the United States, and whether they have any serious intention of bringing gas to eastern Canada for the benefit of Canadians. If they had any serious intention of doing so, it is fairly evident that corporations with those resources could do it if they wished. So when they fail and come to the government for help, one is justified in questioning the wisdom of getting mixed up in a complicated arrangement that is neither private enterprise nor crown corporation but a confusing mixture of the two.

That was the situation that arose out of the first arrangement for the development of the northern Ontario section, which is part of this bill. But that has been worse confounded by the addition of another part of this bill which provides for the lending of money to build what is called the western section of the line, so that you have a mixture of ideas and a mixture of purposes and nobody can determine from this legislation what its real intent is and what it will lead to.

Several conjectures have been made, but I think it is a fair conjecture to say that the minister who said that he would never be party to building a line that started nowhere and ended nowhere is doing exactly that with this bill. He will have a 34-inch pipe line starting at the Alberta border and running to the vicinity of Winnipeg, and that is all there is to it. Here is $80 million to do that. What happens then? This bill does not say. This bill does not provide that.

This bill sets up a northern Ontario corporation. It would be much better called something else. It is not a northern Ontario corporation. It begins with a western pipe line, or a western section. It is at least a mid-Canada crown corporation or a Canadian crown corporation. It is a misnomer to call it a northern Ontario corporation, because it does not provide within its terms for the construction of the northern Ontario section. It only provides for this loan of $130 million, enough to build the western section and not enough in addition for the northern Ontario section. That is all the minister will have, as I say, a pipe line that begins nowhere and ends nowhere. He has a gap in Alberta from the producers, a gap from Winnipeg to the United States border, and he has a gap from Winnipeg to the Ontario border. There is not enough provision for building in northern Ontario, at least not in this bill.

Mr. Diefenbaker: East is east and west is west, and never the twain shall meet.

Mr. Michener: That is correct. At least it is not clear from this bill how east will meet west or how those gaps will be closed. That is the sort of patchwork policy we have presented to us as the epitome of this great government's national fuel policy, with questions innumerable unanswered, of which I have put only a few to the minister; I hope he will attempt to deal with them.

In any event, whatever may be the disposition of this bill, it is not clear what will be accomplished by it. I think it is proper that those of us who would like to see this project done in the right way—because we realize that it is important—should question the way in which it is being done. The minister and others may say, "What do you suggest?" The opposition are often asked to suggest a solution. Mr. Chairman, so far we have had only one day in which it has been possible to ask questions of the minister and to obtain information in the course of considering the government's policy, and it is not to be expected of any hon. member of this house that he should find out the alternatives and suggest them in positive terms. However, I should like to suggest what would make sense to me.

This is a project in which I think every member of this house believes. Certainly I do not yield place to any member in my desire to see this great reservoir of natural gas made available for use in Canada as far as possible. I think that is a common objective. We are not to be represented as trying to oppose the right solution of this very important project. It is not a problem that will be solved only for ourselves; it is a problem that will be solved for the future. It is therefore important that the right solution should be found. On that account I say we want the right solution now. We are concerned about having this job done, but we are concerned about having it done in the right way at this time.

has taken its part in regulating the distribution of oil. But now the government is concerned with bringing another fuel into competition with that same oil, and that will be the effect of introducing gas particularly for heating purposes in the eastern cities, where oil has become very largely used because of its convenience.

Then we have another field which perhaps should not be left unconsidered; that is the possibility of producing power from uranium. The government may have some views with respect to when hydroelectric power or heat or other energy from uranium will become commercially practicable and usable in Canada, and I should think this has a very important relation to the construction of a natural gas pipe line which will not be amortized within 20 or 25 years or perhaps more. If uranium should become a cheaper and better fuel within that time, then perhaps that is a consideration. We have heard nothing about that. When the minister speaks again on the bill I hope he will deal with these questions involving the relationship of natural gas to other fuels.

I come now to the natural gas transportation problem with which the bill attempts to deal. Alberta, British Columbia, Saskatchewan and Manitoba all have natural gas in some quantity, Alberta and British Columbia particularly. Natural gas has long been known and used in Ontario, but there it was a matter of provincial concern. Now the problem of taking gas across provincial boundaries arises, and it is purely a transportation problem. I submit, Mr. Chairman, that the government is up against a real test of its leadership when it attempts to solve this problem, and when it puts before the house the bill now before us the government must be judged with respect to whether it is giving that leadership in a national fuel policy which this country deserves.

It is necessarily a federal problem, as I have said, and it is basically a federal problem because the power of federal finance is the power which is capable of meeting the deficiencies of private finance if that is necessary. We all know that since the war the centralization of revenues in the federal government and the limited resources of the provinces have put a greater onus on the federal authority to give a lead and to make finances available for the development of Canadian resources and for the development of a fuel policy such as we are considering today.

In 1949 the pipe-line bill was introduced by the government, and in part 2 we have a recognition of the problem of transportation of oil. That part provides that oil pipe lines shall be common carriers and shall carry oil from the west to the east or to the Pacific coast as common carriers. There is also provision for tariffs and rates. But at that time at least the sponsors of the bill did not consider that natural gas was of sufficient importance to give it the same status. So we have part 3 of that legislation referring to natural gas but not providing that the operators of pipe lines shall be common carriers, and making no provision with respect to rates.

Therefore we see that the approach as long ago as 1949, when the policy was first developed, was one of a secondary position for natural gas. Subsequently under that legislation parliament incorporated 22 companies with the power to build pipe lines, and from that point on it seemed that the government was prepared to let nature take its course for the next two or three years. The government did accept and all parties in the house concurred in a policy which required natural gas pipe lines to be built over all-Canadian routes. We have that limitation and the limitation which the minister has indicated with respect to the export of gas, restricting it to gas which is not needed for present or future Canadian purposes. That is the additional development in respect of policy up to the point at which we have arrived today.

Now we have this bill, and it seems to embody the government's thinking with respect to the solution of the problem of transportation of natural gas. This at least is the first official measure that has come before the house. We have heard many announcements in the course of the past three years, and to some extent we have been able to follow the negotiations, manipulations and various machinations of those who have been interested in the transporting of natural gas. In 1954 the transport board gave authority to Trans-Canada Pipe Lines Limited, and from that time to the present it appears that this corporation has been the chosen instrument of policy of the government and still is today, notwithstanding its repeated failures.

It is perhaps worth while to draw attention at this moment to the terms under which Trans-Canada Pipe Lines undertook to perform if it were given a permit by the transport board. These words have not been quoted; they appear in the transcript of the hearing before the board of transport commissioners on June 15, 1954. Counsel for the company had Mr. Tanner, the president of Trans-Canada, in the box and asked him this question:

> In your opinion is the development and construction of the Trans-Canada line dependent upon the success or failure of that application before the federal power commission?

have a crown corporation for the purpose of lending money, not to Canadians but to non-Canadians.

I suppose we have to consider this bill as an expression of the national energy and fuel policy of this government in so far as it relates to natural gas. For at least five years and for most of ten prosperous years since the war Canadians have become aware that the discovery of natural gas in great quantities in the western provinces of Alberta and British Columbia, and more recently in Saskatchewan and Manitoba, has made available a great potential source of energy and power, not only for the areas in which the gas has been found but for other parts of Canada and adjoining areas in the United States.

In order that it may be used this new fuel must be moved from the part of Canada in which it has been discovered to the industrial and more populous areas of the country. Therefore it must cross provincial boundaries, and in doing so it becomes a subject of federal jurisdiction. How the federal government handles this problem is of great importance to the Canadian economy. It is of great importance to Canadians today and it will be of equal importance to generations of Canadians to come. We must examine this bill in the context of a national fuel policy. Its relationship to other sources of energy is certainly relevant when we examine the government's plan for making natural gas fit into any national energy policy.

We do not need to concern ourselves with wood any more, as that has ceased to be more than a local heating fuel, but I suggest that coal is of great importance and the relationship of this fuel to coal is something which the government must have under consideration. I should like to quote what one of our leading public servants, Dr. G. S. Hume, director general of scientific services, Department of Mines and Technical Surveys, had to say about the importance of coal in February last:

> But it has been recognized that coal still fills the largest part of our energy requirements, and that the continued existence of coal mines is essential for national security.

No one would doubt that. I should like to ask the government what is their idea as to the relationship and effect of this program with respect to natural gas upon coal mines and coal distribution. All members of the house have seen the brief submitted by the coal dock owners' association and are aware of their concern over what will happen to the distribution of coal in the event that natural gas is made a competitive fuel through the use of public funds.

[Mr. Michener.]

Under the policy of the government the transportation of coal itself, both from Alberta and from the maritimes, has been subsidized by public funds. Here public funds are being used to introduce another fuel into central Canada in competition, and I should like to ask the government what it has to say about that. So far there has been no mention of that matter, but it seems to me it is relevant to know where the government stands on this very important issue.

Another source of energy is hydroelectric power, and the importance of an energy policy for Canada is well illustrated by the results of the use of hydro power in our three great industrial provinces, Ontario, Quebec and British Columbia. What has put those provinces ahead in industry is the use of power. One has only to consider that every person residing in those provinces has at his disposal through hydroelectric power the equivalent in slave labour of 10 or 12 people working for him day and night and that thereby his production and standard of living are increased. It is in line with that great increase in our material well-being that hydroelectric power has been so important.

However, hydroelectric power has been developed in some places through a public corporation at public expense and there the consideration arises, what price is to be charged the consumer? Are you to charge the user of hydroelectric power on a graded scale depending on his distance from the source of the power and the length of the line that reaches him, or are you to charge the same price everywhere in one system of generation and distribution? That is a problem that will arise in connection with natural gas distribution under public auspices. What will be the policy of the government?

(Translation):

What will the good people of Montreal say when they find that the gas is selling cheaper in Toronto than in Montreal?

(Text):

Out of deference to my constituents I have to use the language which I hope they will not understand. Now, Mr. Chairman, the next fuel of importance is oil. We have seen oil, largely from the same source as natural gas, transported to the Pacific coast and to eastern Canada at no expense to the public treasury but by private initiative and by pipe lines privately financed and built. Therefore the government has not the same responsibility there as it has in this case, where it is intervening in the project. Those lines are a matter of federal concern because they cross interprovincial and in some cases international boundaries, and the government

WATER RESOURCES

UPPER THAMES VALLEY AUTHORITY—INQUIRY AS TO GOVERNMENT DECISION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources. Has the government as yet reached a decision with respect to whether or not it intends to contribute to the completion of the dams under the Upper Thames valley authority?

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): No, Mr. Speaker.

AGRICULTURE

STATEMENT AS TO DEVELOPMENTS IN CHRYSANTHEMUM CULTURE

On the orders of the day:

Mr. Robert McCubbin (Parliamentary Assistant to the Minister of Agriculture): Mr. Speaker, on Friday last the hon. member for Esquimalt-Saanich asked me a question with respect to chrysanthemum culture developments at the experimental station at Saanichton, British Columbia, and I wish to make a short statement in answer to that question.

It has been known for many years that the flowering of chrysanthemums may be controlled by manipulation of daylight. During the late forties it was conceived that this light and dark response reaction might be applied to schedule blooming on a year-round basis. Canadian producers who pioneered in this type of production soon encountered problems and studies were initiated at Ottawa to meet those problems.

At present the year-round schedules are so precise that the work of the horticulture division is directed toward the study of various factors affecting flower bud development.

At present roughly 70 per cent of the year-round production is located in Ontario, and this is relative to the portion of greenhouse space in Canada.

The possibility of greatly increasing year-round chrysanthemum production on Vancouver island depends on expansion of greenhouse space suitable for year-round production, and whether it is able to compete with local production on the very competitive eastern market.

Improvement in the quality of outdoor-grown chrysanthemums may be achieved by protection of the open blooms, and the experimental farm at Saanichton has conducted studies using plastic covers for this purpose. This will undoubtedly reduce the losses that growers experience during a rainy fall.

Mr. G. R. Pearkes (Esquimalt-Saanich): May I direct a supplementary question, Mr. Speaker, this time to the parliamentary assistant to the Minister of Transport. Will the parliamentary assistant bring that report to the attention of the proper authorities so they may make provision for additional aircraft to move this anticipated greater trade?

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Monday, May 28, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation—Mr. Howe (Port Arthur)—Mr. Applewhaite in the chair.

On clause 4—*Body corporate.*

Mr. Michener: Mr. Chairman, I rise to discuss clause 4 of Bill No. 298—

Mr. Boucher: Attaboy!

Mr. Michener: —which creates a crown corporation, or at least refers to a crown corporation which is for all purposes an agent of Her Majesty in the right of Canada. It is perhaps ironic that the ban which has prevented us from discussing clauses 1, 2 and 3 of the bill should be lifted at this point to give us a glimpse of the intention of the government to create another crown corporation.

This clause is precisely the same as the clauses in 20 other statutes of this parliament which have created crown corporations, most of them during the tenure in office of the Minister of Trade and Commerce, and I should think most of them at his instance. We have before us the prospect of a 21st crown corporation. Those who are card players may wonder whether it is a case of 21 or bust. In any event this is No. 21.

The Auditor General in his report refers to 9 proprietary crown corporations and 11 crown agencies. The proprietary corporations consist of the C.B.C., the farmers' loan board, Eldorado Mining and others, while the agencies cover a wide range of activities many of them normally provided by private corporations such as the lending of money to Canadians, mining, transportation, manufacturing, and aviation. These represent a broad field of government activity in business through crown corporations. Now we are to

Inquiries of the Ministry

FINANCE

SUGGESTED RELIEF TO TAXPAYERS THIS YEAR

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Prime Minister. In view of a report in the Toronto *Daily Star* indicating a slow-down in business in the United States, and in order to help prevent the same thing happening here, would the Prime Minister consider affording some relief to taxpayers this year instead of waiting for an election year?

Right Hon. L. S. St. Laurent (Prime Minister): It is not the Prime Minister who affords relief to the taxpayers. It is on the recommendation of the government that a budget is proposed, and we made the recommendation to the house that we felt was in the public interest this year.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO FURTHER CORRESPONDENCE WITH MINISTER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would the Minister of Trade and Commerce say whether there has been any correspondence, confidential or otherwise, between himself and Trans-Canada Pipe Lines at any time since May 8 of this year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Mr. Speaker, my offhand report is no, but to answer the question I would need to search my files. I shall be glad to do so and answer tomorrow.

TRANS-CANADA PIPE LINES—CONTRACT FOR PIPE FOR NORTHERN ONTARIO SECTION

On the orders of the day:

Hon. George A. Drew (Leader of the Opposition): I wish to direct a question to the Prime Minister. In view of the report appearing in the press this morning about a contract for pipe for the northern Ontario section of the trans-Canada pipe line, is it the understanding of the government that the northern Ontario section is to be built by Trans-Canada Pipe Lines or, on the other hand, if the measure now before the house passes is it to be built by the crown corporation that the government proposes to set up?

Right Hon. L. S. St. Laurent (Prime Minister): It would be built by the crown corporation, of course, under contracts for which tenders would be called in the usual way.

Mr. Drew: I would draw the attention of the Prime Minister to the fact that the press announcement today indicates a contract has been made for the purchase of pipe for the northern Ontario section by Trans-Canada Pipe Lines.

Mr. St. Laurent (Quebec East): I have not seen that report, nor did I inspire it.

POST OFFICE DEPARTMENT

REFERENCE TO DESIGN FOR NEW 4-CENT STAMP

On the orders of the day:

Mr. George H. Hees (Broadview): I should like to direct a question to the Postmaster General. In using as its design for the new 4-cent stamp, which I have before me, a line of elk standing in military precision, is the government trying to portray as a national symbol the Liberal party toeing the line in parliament?

LABOUR CONDITIONS

MAGOG, QUEBEC—STATEMENT ON REPORTED LAY-OFFS AT FRASER-BRACE CO.

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Yesterday, the hon. member for Hamilton West (Mrs. Fairclough) asked me a question to which I wish to make this reply.

The Fraser-Brace employees involved at Magog, Quebec, were refused insurance benefits under subsection 2 of section 63 of the Unemployment Insurance Act on the grounds that they had lost their employment due to a labour dispute and had not proved that they were not participating in the dispute. However, an appeal of this refusal to the board of referees on behalf of 40 claimants has already been lodged.

Mrs. Ellen L. Fairclough (Hamilton West): May I direct a supplementary question to the Minister of Labour, based on his comment that an appeal has already been lodged on behalf of 40 of the 78 employees. My question yesterday was whether the minister would see that the claims were processed as quickly as possible. Did the minister intend to intimate that such is the intention of his department?

Mr. Gregg: I can assure the hon. member that the board of referees will process them just as quickly as possible, and whatever conclusion is arrived at on behalf of those 40 will apply to all of them, if they are of the same grade or class.

FISHERIES

ATLANTIC SALMON—INQUIRY AS TO RESTORATION MEASURES

On the orders of the day:

Mr. A. J. Brooks (Royal): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Will the question of restoration measures for the Atlantic salmon fisheries be on the agenda or be discussed at the meeting of the international commission on the northwest Atlantic fisheries being held in Halifax June 11 to June 16? If so, what measures are being recommended by the Department of Fisheries to make sure that the Atlantic salmon does not disappear from eastern Canadian waters?

Hon. James Sinclair (Minister of Fisheries): Mr. Speaker, I thank the hon. member for having given me notice of this question. The international commission on the northwest Atlantic fisheries is composed of ten nations which exploit the fishery resources of the high seas in the northwest Atlantic. As the Atlantic salmon is anadromous and is exploited only by a Canadian commercial fishing fleet, it does not come within the terms of this commission.

As far as the second part of the question is concerned, the federal government and the governments of the Atlantic provinces are all very much concerned about the great pressure which is now exerted on the Atlantic salmon fishery. That pressure is due to the increasing industrialization of the Atlantic provinces, with the greater use of streams for industrial and domestic purposes, and also the great increase in the number of fishermen who are trying to catch Atlantic salmon, that increase being due to the ever-increasing prosperity of the country; more people have more time and money to go fishing.

Since our governments are concerned, the federal government and the four Atlantic provinces some three years ago formed an Atlantic salmon co-ordinating committee, the chairman of which is the deputy minister of fisheries for Canada and the members of which are the deputy ministers of the appropriate departments in Quebec, New Brunswick, Nova Scotia and Newfoundland. I will be prepared to give a full account of their activities when my estimates are back before the house. In the meantime I can send to the hon. member the current copy of our fisheries publication *Trade News*, which has a 16-page report of the activities of that committee during the current year.

BRIDGES

SHIPPIGAN, N.B.—INQUIRY AS TO COMMENCEMENT OF CONSTRUCTION

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Will he please inform the house if and when the necessary permit will be given to allow the Lameque-Shippigan Bridge Corporation to commence work on the Shippigan bridge?

Hon. Robert H. Winters (Minister of Public Works): The hon. member for Gloucester has been speaking to me almost daily on this project, which he considers of great importance. The fact is that an application has been made under the Navigable Waters Protection Act. It was returned for certain amendments which need to be made before it can be accepted. To the best of my knowledge it has not yet come forward again.

EDMUNDSTON, N.B.—REQUEST FOR APPROVAL BY CANADIAN NATIONAL RAILWAYS

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I should like to direct a question to the parliamentary assistant to the Minister of Transport. Has the C.N.R. stopped sabotaging the Edmundston bridge project, and will the necessary permit be given now?

Mr. L. Langlois (Parliamentary Assistant to the Minister of Transport): Mr. Speaker, I do not know where the hon. member is getting his information, but I can tell him that the C.N.R. has never been guilty of any sabotage.

DEFENCE PRODUCTION

ORENDA ENGINES LIMITED—INQUIRY AS TO CHANGE IN GOVERNMENT POLICY

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Minister of Defence Production. Does the report of lay-offs at the Orenda plant at Malton indicate any change of policy in the government buying of fighter aircraft?

Right Hon. C. D. Howe (Minister of Defence Production): There is no change in the policy of the government. My department purchases the aircraft that are needed by the armed services. The lay-off, I understand, is the result of a cutback in the production of F-86 aircraft, which are becoming obsolete, with a consequent drop in the requirements for engines.

Inquiries of the Ministry

Hon. L. B. Pearson (Secretary of State for External Affairs): Mr. Speaker, the answer to all three questions is no.

CRIMINAL LAW

INQUIRY AS TO REPORT OF ROYAL COMMISSION RESPECTING CRIMINAL SEXUAL PSYCHOPATHS

On the orders of the day:

Mr. F. E. Lennard (Wentworth): In the absence of the Minister of Justice, Mr. Speaker, I should like to ask the Prime Minister this question. Because of the criminal assault on two little girls at Carlisle, near Hamilton, Ontario, yesterday, can he state when it is intended to bring down the McRuer report?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am quite sure that report will be brought down just as soon as it is available.

PUBLIC WORKS

MA-ME-O BEACH—REPORTED DAMAGE TO WHARF

On the orders of the day:

Mr. Ray Thomas (Wetaskiwin): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Unfortunately I did not give him notice but possibly he will have an answer to it. If not, he can take my question as notice. Has the minister received any report on the damage to the wharf at Ma-Me-O Beach in Alberta up to the present time? If so, when may we expect repairs to be made to it?

Hon. Robert H. Winters (Minister of Public Works): I have received no report as yet. I have asked the engineers of the department to investigate.

POWER

BEECHWOOD PROJECT, N.B.—ALLEGED REFUSAL OF LOAN

On the orders of the day:

Mr. J. C. Van Horne (Restigouche-Madawaska): Mr. Speaker, I have a question for the Prime Minister. Would he be so kind as to tell the house what line of reasoning compels his government on the one hand to bulldoze this $80 million loan to this American 34-inch gas pipe outfit, while on the other hand refusing a $45 million loan to the people of New Brunswick to develop urgently needed hydroelectric power?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I do not think that is a question that should be dealt with on the orders of the day.

Mr. Fulton: Can you deal with it at all?

[Mr. Diefenbaker.]

HAMILTON RIVER, LABRADOR—STATEMENT ON REPORTED DEVELOPMENT

On the orders of the day:

Hon. Jean Lesage (Minister of Northern Affairs and National Resources): Mr. Speaker, on Friday last the hon. member for Vancouver-Quadra (Mr. Green) asked a question and referred to press dispatches of that morning which indicated that consideration was being given to the development of power on the Hamilton river in Newfoundland and the possible transmission of that power to Sept Iles on the north shore of the province of Quebec.

As I indicated at that time, the development of power on the Hamilton river is purely a provincial responsibility and, of course, so is the transmission of power from Labrador to any other province. However, I asked officials of my department to get in touch with the officials of the British Newfoundland Corporation and have obtained the following information.

The British Newfoundland Corporation was founded in 1953 to carry out exploration of the unknown mineral, waterpower and wood resources on the island of Newfoundland and in Labrador. The waterpower potential of the Hamilton river was early recognized as one of the principal assets of the area. Thus, an intensive survey and accompanying engineering investigation were conducted through the summer seasons of 1954 and 1955, with subsequent engineering studies which have given very encouraging results.

This survey was done for the corporation by Montreal Engineering Company Limited and the Shawinigan Engineering Company Limited and, because of its unique features, it was described to the Engineering Institute of Canada's annual conference in the technical paper referred to in the press dispatch mentioned by the hon. member for Vancouver-Quadra. Since any such survey was bound to take into account possibilities for transmitting the electricity, a transmission line to Seven Islands was selected for examination as a typical case.

The present status of the investigation is understood to be that the corporation is ready to proceed with construction of a power plant as soon as there is definite demand for sufficient power to justify the project and as soon as the financing can be arranged. I understand that the stage has not yet been reached for any decision to be made on where the power could or should be utilized.

Mr. Green: Thank you very much.

HOUSE OF COMMONS

Tuesday, May 29, 1956

The house met at 2.30 p.m.

HOUSE OF COMMONS

WELCOME TO HON. MEMBER FOR HALTON ON HER RETURN FOLLOWING ILLNESS

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, may I have the indulgence of the house to extend, I am sure on behalf of every hon. member, most happy and cordial greetings to the hon. lady member for Halton. We are delighted that she has been restored to good health and is now again in her seat in the house. I am sure we all are happy to extend to her our most sincere congratulations and our very best wishes.

Miss Sybil Bennett (Halton): Mr. Speaker, may I have just a few minutes of the time of the house to thank the Prime Minister for his most kind and gracious words. It is a very warm welcome that is given me today, and I am most happy to be back. I want to say, Mr. Speaker, that if it had not been for the indulgence and kindness of my own constituents, the very many messages of good cheer and encouragement that I received from both sides of the house, and the faith and prayers of those around me, I fear I would not be back today. I am very happy to be with you.

COMMITTEE ON ESTIMATES

Fourth report of special committee on estimates.—Mr. Tucker.

IMMIGRATION

TABLING OF AMENDMENTS TO REGULATIONS

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): Mr. Speaker, I should like to table the recent amendments to the immigration regulations, in both the official languages.

[Later:]

On the orders of the day:

Mr. E. D. Fulton (Kamloops): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration if he can, without taking too much time—

Some hon. Members: Oh, oh.

Mr. Fulton: May I rephrase my question. I should like to ask the Minister of Citizenship and Immigration if he would be willing, if he considers the matter important enough, to make a short statement as to the effect of the main changes contained in the amendments to the immigration regulations he has just tabled.

Mr. Pickersgill: No, Mr. Speaker. I do not believe it would be of any advantage to anyone if I did so. I think the language of the regulations is clear. As a layman I would hesitate to interpret them to my learned colleague.

Mr. Rowe: If the minister cannot interpret them, who can?

STATEMENT ON ADMISSION OF EXPERIENCED TOBACCO WORKERS FROM U.S.

On the orders of the day:

Hon. Milton F. Gregg (Minister of Labour): Mr. Speaker, perhaps I can comment on the question which was asked of the Minister of Citizenship and Immigration last Friday by the hon. member for Brant-Haldimand, and on which I have had correspondence with the hon. member for Essex South (Mr. Clark) and others, as to the entry of primers and tyers for the tobacco crop this summer.

I have had correspondence with, and a copy of a resolution from, the secretary of the flue-cured tobacco marketing association of Ontario. If I were to quote one paragraph of my reply to the secretary perhaps it would answer the question:

> In view of the representations you and others have made we can assure you that should the necessity arise for bringing in more primers and tyers than can be provided in Canada, we will attempt to fill the need from the United States.

EXTERNAL AFFAIRS

REFERENCE TO RADIO REPORT OF VISIT TO CANADA BY KHRUSHCHEV AND BULGANIN

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs, and ask him whether there is any foundation for the radio report this morning that Khrushchev and Bulganin were coming to Canada. Has any such invitation been extended, or has there been any indication from the government of the U.S.S.R. in relation thereto?

Questions

6. What is the mileage, by sea, between Esquimalt harbour and Rocky Point?
7. Can lighters remain at Rocky Point in all weather?
8. What is the average time required for (a) ammunitioning; (b) de-ammunitioning, direct from (i) the jetty; (ii) lighters, for the various types of Royal Canadian naval vessels using the Rocky Point magazine?
9. On how many occasions during the past six months have the operations of ammunitioning and de-ammunitioning been suspended on account of weather?

Answer by: **Hon. R. O. Campney (Minister of National Defence):**

1. Yes.
2. 216'6" long by 50'3" wide.
3. $234,421.
4. By lighter.
5. Two.
6. Eight miles.
7. No.
8. (i) (a) and (b) see answer to part 4; (ii) (a) and (b) Bay class, 3 working hours; Bangor, 10 working hours; Frigate, 16 working hours; Destroyer, 20 working hours.
9. Six.

BUTTER STATISTICS

Question No. 483—**Mr. Purdy:**

1. When was the floor price on butter introduced and what has it cost the treasury since its inception?
2. What was the butter production in Canada during this period?
3. What was the butter production in the province of Nova Scotia during the same period?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

1. May 28, 1948. Net expenditure to March 31, 1956, $8,500,000.
2. 2,299,000,000 pounds of creamery butter.
3. 46,000,000 pounds of creamery butter.

WATER AND SEWER FACILITIES, AKLAVIK TOWNSITE, N.W.T.

Question No. 503—**Mr. Hardie:**

Is the Department of National Health and Welfare being consulted on water supply and sewage disposal requirements for the new Aklavik townsite?

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

Yes. This matter is receiving the closest attention by officers of the public health engineering division of the Department of National Health and Welfare. They are attending meetings of the Aklavik subcommittee of the advisory committee on northern development and are assisting in the field during preliminary studies for the collection of data and water quality determinations at the site. Engineering studies and preliminary plans with respect to water supply and sewage disposal, as prepared by the consulting engineers, have been reviewed by the public health engineering division. It is expected that the advice of the technical officers of that division will be sought before a final decision is made on the adoption of the requirements necessary to ensure adequate treatment and control of water and sewage for the protection of health.

INCOME TAX—U.S.-EMPLOYED CANADIAN PERSONNEL

Question No. 505—**Mr. Barnett:**

1. Does the United States (a) navy; (b) air force, deduct income tax and make remittances to the Receiver General of Canada from wages and salaries of Canadian civilians employed by them in Canada?
2. If not, what is the reason for not making such deductions?

Answer by: **Hon. J. J. McCann (Minister of National Revenue):**

1. (a) No; but negotiations are at present under way between Canadian and United States government officials in Washington in an effort to establish proper deductions of income tax at the source from Canadian civilians employed in Canada by the United States navy.

(b) Yes. Deductions at the source for income tax are being made from the wages and salaries of Canadian civilians employed in Canada by the United States air force.

2. Answered by No. 1 above.

ANSWERS TO QUESTIONS

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

MAPLE SYRUP PAIL SUBSIDY

Question No. 283—**Mr. Thatcher:**

Has the subsidy on maple sap pails been discontinued?

Answer by: **Right Hon. J. G. Gardiner (Minister of Agriculture):**

Yes.

LOBSTER AND SALMON FISHERIES

Question No. 387—**Mr. Kirk (Shelburne-Yarmouth-Clare):**

1. For the year 1955, what (a) was the total landed value of the lobster catch on the Atlantic coast of Canada; (b) was the number of lobster fishing licenses issued on this coast; (c) were the estimated expenditures by the Department of Fisheries directly related to protection and conservation of lobsters?

2. For the year 1955, what (a) was the total landed value of the commercial salmon catch on the Pacific coast of Canada; (b) was the number of fishermen engaged in the commercial salmon fishing on this coast; (c) were the estimated expenditures of the Department of Fisheries directly related to protection and conservation of Pacific salmon?

Answer by: **Hon. James Sinclair (Minister of Fisheries):**

1. (a) $16,513,000; (b) 17,429; (c) $1,320,710*.

2. (a) $18,352,000; (b) 8,822 licences to fish for salmon were issued; (c) $1,352,415*.

*It is not possible to segregate costs for a particular species. The figures shown are those expended by the protection branch—operation and maintenance. They include salaries and expenses of fishery officers, fishery guardians, patrolmen and the operation of the department's fleets of patrol vessels. The cost of research is not, however, included.

LOBSTER CATCH, MARITIME PROVINCES

Question No. 388—**Mr. Kirk (Shelburne-Yarmouth-Clare):**

1. For the year 1955, what was the quantity and landed value of the lobster catch in each constituency of (a) Nova Scotia; (b) New Brunswick; (c) Prince Edward Island?

2. In each of these constituencies, for the year 1955, what was the number of lobster fishing licences issued?

Answer by: **Hon. James Sinclair (Minister of Fisheries):**

1. The information is not available by constituencies but is given by counties as follows:

Questions

Lobsters—landings and landed value for each county of the maritime provinces, 1955

	Landings '000 lb.	Landed value $'000
Nova Scotia—Total	23,036	9,124
Inverness	979	281
Victoria	1,314	384
Cape Breton	1,767	530
Richmond	1,152	414
Pictou	2,509	664
Antigonish	923	253
Guysborough	1,931	637
Halifax	1,437	587
Lunenburg	671	324
Queens	515	253
Shelburne	4,212	2,128
Yarmouth	3,189	1,678
Digby	1,065	566
Annapolis	186	91
Kings	27	13
Hants	—	—
Colchester	51	13
Cumberland	1,108	308
New Brunswick—Total	8,947	2,895
St. John	265	98
Charlotte	1,248	528
Restigouche	128	35
Gloucester	1,127	313
Northumberland	878	266
Kent	2,694	872
Westmorland	2,598	782
Albert	9	4
Pr. Edward Island—Total	8,605	2,359
Prince	3,027	883
Queens	2,062	542
Kings	3,516	934

2. Records are not maintained other than by provinces.

Nova Scotia	11,294
New Brunswick	3,759
Prince Edward Island	2,376
	17,429

ROCKY POINT NAVAL MAGAZINE, ESQUIMALT, B.C.

Question No. 409—**Mr. Pearkes:**

1. Has a jetty been constructed at the Rocky Point naval magazine, Esquimalt, British Columbia?

2. If so, what is the length and width of such jetty?

3. What was the cost of construction?

4. When Royal Canadian naval vessels are ammunitioning or de-ammunitioning at the Rocky Point magazine, do they do so direct to or from the jetty, or are they loaded or unloaded by lighter?

5. How many lighters are available for ammunitioning or de-ammunitioning between Esquimalt harbour and Rocky Point?

Northern Ontario Pipe Line Corporation

The first pipe-line bill that passed this house was Western Pipe Lines. This concerned a pipe line from Alberta to the United States border for export. It was brought into the house by the president of Osler, Hammond and Nanton Limited. The hon. member for Vancouver-Quadra will remember the circumstances. I think it was through his vigilance that it was the last bill that was designed entirely to cover the export of Alberta gas exclusively into the United States.

Shortly after that two or three other bills were passed by this house, and I think the fourth or fifth bill had to do with Trans-Canada Pipe Lines. That bill was sponsored by the Canadian Delhi Gas Company. I had nothing to do with that pipe line. The sponsors merely came to see me, the bill came before the house, it went before a committee of the house and the charter was approved by the house.

It has been said that Clint Murchison is a friend of mine, but I will tell the committee about my contacts with Clint Murchison. Back in 1939 when I was Minister of Transport I was invited to the opening of LaGuardia airfield and was entertained at luncheon by American Airlines. They had their directors there. Clint Murchison was at that time and is today a director of American Airlines, and I met him at that time.

The second time I met him was on an occasion when I was invited along with two or three other Canadians by the president of American Airlines to spend a holiday in going over their routes. In the course of that holiday we stopped off in Mexico and spent a day or two at a ranch owned by Clint Murchison, where we shot turkeys. That was long before Clint Murchison had any interest in pipe lines in Canada, and nothing of that kind was discussed.

I think I have met the gentleman three times since. When he has been in Ottawa he has paid me a call. That is the extent of my acquaintance with Clint Murchison. The fact that I knew him years ago and have seen him from time to time since is being used as an indication that he and I are in conspiracy to rob Canada of its natural resources.

Mr. Drew: Mr. Chairman, the right hon. minister has a habit of interjecting something into the record which gets out to the press as though it were a statement by someone on the other side. No one has made a statement such as he has now mentioned. I think it is time to call a halt to the interjection of statements of this nature, which are then left on the record as though someone had used those words.

The Deputy Chairman: As I heard the Minister of Trade and Commerce I do not think he made any accusations. He said that certain impressions were being given, and I think that statement has been made in several remarks.

Mr. Howe (Port Arthur): I might ask my hon. friend why he brought Clint Murchison into this subject and referred to my sinister association with him.

Mr. Drew: That is typical of the minister's misstatements. I said we should know when the first discussions between Clint Murchison and the minister took place in regard to Trans-Canada. Clint Murchison was the promoter. Clint Murchison had discussions. We have copies of the letters and I want to know, and I think the hon. members of this house should know, when those discussions started and ended, and what was the reason for the long delay between that time and the time the government came before the house with its proposals. There was no suggestion of anything sinister; that is something the minister has put on the record himself.

Mr. Howe (Port Arthur): The fact of my visit to that particular ranch was brought up by one of the devoted followers of the Leader of the Opposition. It was brought up entirely in an attempt to smear my reputation. It has been said—

Some hon. Members: Ten o'clock.

Mr. Howe (Port Arthur):—that we do not need to worry about 30-inch pipe.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Harris: We shall continue with this tomorrow.

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

it should have been well known to the government that the decision of the federal power commission would not be handed down in time to meet the construction deadline? The reason is this. A serious effort was made to obtain temporary financing for the western section. I am sure it would have been successful had it not been undertaken in a growing period of tight money. As hon. members know, the Bank of Canada has tightened its restrictions on loans of the type that are required. The same is true in the United States.

But I believed until three weeks before the amended resolution was brought into this house that temporary financing would be secured. However, at the last minute the negotiations broke down. They broke down, I think, for reasons that went beyond the bankers who had been dealing with the matter. I think they found that there were objections from the central banking authorities of the countries concerned, and we were faced with that situation.

Now, why are we pressing on; why are we pressing this? Well, I do not know; perhaps I get overenthusiastic about a project. I have been working on sizeable projects all my life, and somehow I reach a point in the development when I think a project is important; and if it is a serious enough project I begin to think it is the most important thing in the world and it does seem to me it is important that we do not lose a year in undertaking this pipe line.

Mr. Fulton: A year after five.

Mr. Howe (Port Arthur): Well, it is a year, anyway. We are having the greatest possible pressure, as hon. members know, from the province of Alberta, where the situation is becoming almost intolerable. Gas is locked up in the ground; gas is being flared at the refineries, and it is a wasteful and unproductive situation.

We are being pressed by Manitoba, and I may say that Manitoba stands to benefit industrially from low-cost gas to a considerable extent. I come from nothern Ontario. Today northern Ontario is the highest cost fuel area in the world. Through this gas line they will be in the position of having a fuel cost lower than that of industrial Ontario. Well, I know something of the preparations that have been going on there to receive gas. Every community in northern Ontario has made arrangements for the distribution of gas. Industries there are dependent on a supply of natural gas to permit plant expansion. If any area of Canada requires a start on a gas pipe line this year it is northern Ontario.

Hon. members have seen something of the pressure from industrial Ontario for natural gas as expressed by the government of the province of Ontario. No later than last Saturday night the provincial treasurer of Ontario spoke in the Niagara peninsula, and again asserted the absolute necessity of another type of fuel for industrial Ontario. Well, with these pressures reinforcing my own belief that this is a natural resource project that should be pressed to a conclusion as rapidly as possible, I have perhaps given some leadership in the attempt to get this bill enacted by parliament in the 19 sitting days that were left available when the bill was introduced.

I have asserted that if arrangements made last August for pipe are not carried to their conclusion we might not be able to get 34-inch pipe until the last quarter of 1957 or the first quarter of 1958. I have been told by the Leader of the Opposition that this is absolute nonsense. He said that pipe was tight last October, but that today it is easy.

Mr. Drew: Oh, no, no.

Mr. Howe (Port Arthur): You certainly did.

Mr. Drew: No.

Mr. Howe (Port Arthur): What did you say?

Mr. Drew: I said steel was tight last October.

Mr. Howe (Port Arthur): There is plenty of capacity to roll pipe. When we talk about a tight situation in pipe we mean a tight situation in the material from which pipe is made. There are only about three mills on this continent which can roll steel plate of a width that can be rolled into 34-inch pipe. I think there is also one in England and one in Germany. I believe those are the five mills in the world today capable of rolling plate from which 34-inch pipe can be rolled.

The Leader of the Opposition said there is no other place for this 34-inch pipe in North America. That is true enough, but there is a tremendous demand for it in the Middle East. If we released our option on that pipe it would be out of the United States just as quickly as it could be loaded on ships for that destination. If the Leader of the Opposition doubts that I will be glad to get him affidavits to that effect. We are fortunate in having that pipe.

I see it is getting on to ten o'clock and I shall not pursue that any further, but there is one subject I should like to discuss, the theory that I invented Trans-Canada Pipe Lines, that I was the man who brought it into being. I probably had as little to do with it in its first two or three years of existence as any man in this house.

days of this week in all sorts of shenanigans in order to block the passage of the bill rather than argue against it.

Mr. Howe (Port Arthur): Mr. Chairman—

Mr. Harkness: More closure.

Mr. Howe (Port Arthur): —I have spoken three times in this debate, and my purpose in rising now is to attempt to make this a committee where questions that are asked can be answered.

The Leader of the Opposition has asked some questions that should be answered. In the first place, there is a provision which started as a gentleman's agreement and was converted, when three new interests joined the groups sponsoring the pipe line, into an agreement within the group that 51 per cent of all common stock would be offered in Canada and to Canadians. "To Canadians" is not in the draft, but it has to be offered by three very reliable banking houses in this country, and I feel sure that an offer will be made to place that stock of Trans-Canada.

What was the purpose of that? It has been said a good many times I said that through it Canadians would have control. I said just the opposite. I said you could not guarantee control in that way; for there is no way by which you can prevent a purchaser of stock from selling his stock, and there is no guarantee that he will sell his stock to another Canadian.

I made it quite clear that the control of the pipe line would remain in Canada because the pipe line is located in Canada and subject to Canadian law. The province of Alberta has complete control over the gas that will enter the pipe line. The provinces of Canada have complete control over the conditions under which that gas may be sold within the borders of those provinces. The board of transport commissioners have overriding authority concerning the operation of the pipe line, and the government of Canada has complete authority over the export of any gas that may pass through the pipe line and move across an international border.

The reason I have been concerned to see that 51 per cent of the stock would be offered in Canada to Canadians is that if that can be brought about it will be the only pipe line ever built in Canada where that condition has obtained. We have had two pipe lines built in this country and a third is being built today. Well, I hesitate to estimate how much of the common stock of those pipeline companies has been offered in Canada, but I would think that 10 per cent would be a very high proportion of the common stock of any company.

[Mr. Hansell.]

Why is it important to have stock offered in Canada? The Leader of the Opposition—I forget his exact words—said the common stock was the gravy of the enterprise.

Mr. Drew: No, I did not use any such expression.

Mr. Howe (Port Arthur): What did you say, or do you remember?

Mr. Drew: You make your own speech.

Mr. Howe (Port Arthur): You at least said—

Mr. Drew: Don't use terms I did not use.

Mr. Howe (Port Arthur): —that is where the profits lie, in the common stock. All right; I hope he is right. But I would prefer to say that the common stock is where the gamble lies. If the pipe lines turns out to be profitable the common stock is the chief beneficiary. If it turns out to be unprofitable the common stock equity suffers most. In other words, it is at the lowest priority in the securities of the company, and it takes more than its share of the good and it also takes more than its share of the misfortune.

However, I know that Canadians have resented the fact that they could not acquire larger equities in the pipe-line financing that has been carried on to date. I believe it is desirable that Canadians have an opportunity to take as much of the common stock in Trans-Canada Pipe Lines as they wish to take. I want to make it quite clear that I am not advising anyone to buy it; nevertheless a great many people believe that it will be profitable investment, and if they do believe that I think they should have an opportunity to make that investment.

Mr. Fulton: Does the minister know that the *Canadian Liberal* quotes him as saying that 51 per cent of the voting stock will be owned by Canadians?

Mr. Howe (Port Arthur): If they say it will be held by Canadians they are making promises that they cannot carry out.

Mr. Fulton: The *Canadian Liberal* magazine under the minister's picture says that 51 per cent of the voting stock will be owned by Canadians.

Mr. Howe (Port Arthur): The minister sat for the picture but he was not responsible for what was underneath it.

Mr. Fulton: It is propaganda your party is putting out.

Mr. Sinclair: You are lapping it up.

Mr. Howe (Port Arthur): The question has been asked, why was the bill delayed when

that I did not like the principle of closure and my leader said, "Oh, yes, you do; otherwise you would not have it in the rules." There is a thought there, and it is worth something. We do believe in closure. We do not believe it should be applied except as a last resort. We believe there were extenuating circumstances which meant that this bill must be passed by a certain deadline. We are in favour of hearing every possible argument against the bill, but we are not in favour of blocking tactics.

Now, Mr. Chairman, there is a fourth reason why I am tying these boys in with the communists. I know this is something that will be received with some protest, but the fourth reason is that the communists are great on character assassination.

Mr. Ellis: You are past masters at that.

Mr. Hansell: Listen to that jackass braying.

An hon. Member: Carried unanimously.

Mr. Hansell: The hon. member for Winnipeg North Centre, Mr. Chairman, gets up with something he thinks is going to get some publicity; it is going to get him in the newspapers. He begins an attack on the hon. member for Calgary South, brings his name into the debate, and declares the hon. member has a financial interest in this pipe line. We know he is an oil man, but he got up and vindicated himself. "I own no shares in any company," he said, "that has any contract with Trans-Canada. I do not own one share in Trans-Canada Pipe Lines."

Mr. Knowles: He did not say that.

Mr. Hansell: Then the next day the hon. member for Calgary South turned around and asked that the whole matter be aired before the appropriate committee.

Mr. Fulton: Then he went home.

Mr. Hansell: All I say is this. I am not saying the hon. member for Winnipeg North Centre intended to do it, but I am saying he followed the communist line of character assassination.

Some hon. Members: Hear, hear.

Mr. Knowles: You got applause from the Minister of National Revenue.

Mr. Hansell: One other point, and I am through. The fifth communist line is—

Mr. Castleden: Charlie McCarthy.

Mr. Hansell:—despising authority. I want to say something about this, because it is very important. We ourselves voted for the dismissal of a member from this house for a period of time.

Some hon. Members: Shame.

Mr. Hansell: I am not ashamed of it.

Mr. Knowles: Character assassination if there ever was any.

The Deputy Chairman: I think it is my duty to draw to the attention of the hon. member who has the floor that the question to which he has just referred is a closed incident, and I do not consider it is a subject for debate at this time on this clause.

Mr. Hansell: I believe I have about five minutes more, Mr. Chairman. I was only going to take this opportunity of explaining why we voted for that motion. Since you have ruled, I am not one who is going to despise authority.

Some hon. Members: Hear, hear.

Mr. Hansell: I will consider it, if you wish, a closed incident. I will say this, however, in connection with that incident, that the general tenor of the newspaper reports I have been able to read, except one by Doug Leiterman in the *Citizen* of last Saturday which gives a pretty good account, a truthful report, is that this man was fighting for the freedom of parliament to express itself. That is not the reason we voted for that—

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

Some hon. Members: Sit down.

The Deputy Chairman: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles: My point of order is that a few moments ago you indicated that the incident of last Friday was a closed incident and should not be discussed further. The hon. member who says he does not defy your authority is doing that right now.

Mr. Hansell: I would say, Mr. Chairman, we would be the first people in Canada to fight for the rights of parliament.

Mr. Harkness: You never showed it in Alberta.

Mr. Hansell: We have never had any contrary opinion. I will say this. This group respects parliamentary authority. I will digress no further. I should like to whittle somebody down to peanut size. Objection has been taken, and I shall not take up the point.

Now, Mr. Chairman, my time has gone and I say that we are going to support the pipeline bill. We will vote against any tactics of blocking. We do wish that members may have the opportunity of presenting arguments contrariwise if they wish, but let them present their arguments and not waste the remaining

resources to a United States company? We are not giving anything away.

Mr. Knowles: The foreign exchange control board went out of existence several years ago.

Mr. Hansell: I may have used the wrong term. The government can control foreign exchange.

Some hon. Members: Oh, oh.

Mr. McGregor: Are you going to give the people $25 a month?

Mr. Hansell: Mr. Chairman, we are not giving any natural resources away any more—

Mr. McGregor: Are you going to give the people $25 a month?

Mr. Hansell: —any more than the agricultural industry gives wheat away when it sells to a foreign country; not any more.

Mr. Pallett: Can you replace gas as you replace wheat year after year?

Mr. Hansell: My hon. friend asks whether we can replace gas. What I am saying is this. There is gas being blown into the air—

Some hon. Members: Hear, hear.

Mr. McGregor: There surely is.

Mr. Hees: Pipe it down to Montreal.

Mr. Hansell: I will enjoy the humour of the situation. I will enjoy the joke that my hon. friends are having at my expense.

An hon. Member: A lot of gas.

Mr. Hansell: I will enjoy it too. The only satisfaction I get out of it is that the gas I am blowing is pure instead of the rotten, stinking gas, such as we have been listening to for the past week.

Some hon. Members: Oh. oh.

Mr. Hansell: The third line the communists would use, and they are using it at the highest levels of diplomacy in the universe—

Mr. Ellis: McCarthy rides again!

Mr. Hansell: —is their delaying tactics. They say, "Let us play for time and in the process let us sow the seeds of confusion". That is what is being done here by the Conservative and C.C.F. opposition. Mr. Chairman, I want to tell you that a cold war is going on right here in this chamber.

An hon. Member: A hot war.

Mr. Hansell: The basis for the cold war is the pipe line, but the tactics that are used are no different from those that are used by the communists in high level conferences throughout the world. Mr. Chairman, we are not in favour of closure, and we voted against closure.

Some hon. Members: Oh, oh.

Mr. Hansell: Just hold onto yourselves.

Mr. Hees: You voted for it at every stage.

Mr. Hansell: Just hold onto yourselves.

Mr. Knowles: You voted both ways. That is the trouble with you fellows.

Mr. Hansell: Yes; we voted both ways. When the Minister of Trade and Commerce first introduced his motion for closure at the resolution stage, we thought he was premature. We thought further time should be given to discussion of the resolution and we voted against closure; and maybe we would still vote against it if those who have spoken in the opposition had advanced arguments one after another against the pipe line. That is not what they have done. We sat here until almost five o'clock one morning, and what was it that took up the time of the house then from one o'clock until five? Did they discuss anything but points of order in order to delay progress on this bill?

Mr. Fulton: Did we have the chance?

Mr. Hansell: Was the pipe line under discussion then? No, of course it was not. What happened? The bells rang and the members were called in. They challenged the Speaker's rulings—

Mr. Fulton: And we disturbed your sleep.

Mr. Hansell:—bells rang and the Speaker would rise and say, "may I conclude that members have already been called in?" "No, you must not do that" they said; and the bells would ring again. We would sit down, and we waited until five o'clock in the morning. What was it all for? It was delaying tactics; school-boy stuff.

Some hon. Members: Hear, hear.

Mr. Hansell: We said right away, Mr. Chairman, if that is what we are going to experience when we vote against closure, then we are not going to vote against closure any more; that is the reason we have followed the government in voting for closure since that time.

Mr. Fulton: Where does that leave you?

Mr. Hees: Start that one over again; you got mixed up.

Mr. Hansell: We do not like closure.

Mr. Knowles: Better ring the bells again.

Mr. Hansell: We do not like closure. Nobody likes closure. I was arguing one time

Mr. Hansell: Listen to the next paragraph, Mr. Chairman:

You seem resolved to gag parliament and defy public opinion. . . .

Have we heard that before in this house?

Some hon. Members: And how!

Mr. Hansell: We hear it also outside from the communists. Again we find this:

. . . call a general election . . .

Have we heard that by the Conservatives on this side of the house?

Some hon. Members: And how!

Mr. Hansell: So we hear it outside from the communists parading this afternoon. I say those who oppose this bill are following the communist line. I may say that this document is signed by Tim Buck, national leader; Stewart Smith, for the Ontario committee; Gui Caron, for the Quebec committee, of the labour progressive party.

Talking of elections, Mr. Chairman, I wonder what would happen if the Prime Minister should rise in his place some time and accept the challenge of the Conservative party to call an election?

An hon. Member: He would be beaten.

Mr. Hansell: I am going to say that there would be no more dejected looking people in this country than these same gentlemen if he did that.

Some hon. Members: Hear, hear.

Mr. Fulton: You talk for yourself.

Mr. Hansell: They would look like dying ducks in a thunderstorm.

Mr. Knowles: You are fairly close to the Prime Minister. Why don't you suggest it?

Mr. Hansell: There is no party in Canada that is less prepared for an election than are my hon. friends.

Mr. Fulton: Why don't you want one?

Mr. Hansell: You don't want one; of course you don't. Be that as it may, my time is fast running on.

Mr. Fulton: Not as fast as your tongue.

Mr. Hansell: The second reason they are following the line of the communists is this. They talk a great deal about United States investment. They all know this. They know that the communists from Bulganin and Khrushchev right down to the office boy want to see the destruction of United States economic power, and they use the same arguments with respect to United States investment in Canada. Let me also say this. My leader this afternoon was telling me that recent surveys showed—and this may be a remarkable piece of information for hon. members—that there is less United States per capita investment in Canada than there is Canadian per capita investment in the United States.

Mr. McGregor: So what?

Mr. Hansell: Mr. Chairman, they talk about the Americans coming over and controlling our natural resources.

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

Some hon. Members: Sit down.

Mr. Fulton: Here is democracy for you.

Mr. Hansell: Mr. Chairman, I shall be willing to answer any questions if I have time to do so when my 30 minutes have expired.

Mr. Pallett: Just keep the record straight on those per capita figures.

Mr. Hansell: They talk about control of our natural resources, or handing over control of our natural resources to some United States company. The Leader of the Opposition said it tonight. It has been repeated over and over again.

Mr. Fulton: The Prime Minister cannot stand his new ally.

Mr. Hansell: That is a false statement pure and simple. The hon. member for Calgary South the other day, in a speech he gave, went through the whole gamut of controls that can be exercised on this company from the time the gas leaves Alberta until the time it reaches the homes or the industries of this country. He told you how, from the very start, the Alberta petroleum and natural gas conservation board can control the amount of gas that is to be exported from the province of Alberta. That is the first control.

He told how the various public utilities of the provinces could control the price of gas within those provinces. That is the second control. He told how the federal government, through its transport board, has control of the transportation of that gas. That is the third control. He told also how the federal government has control of export permits. That is the fourth control.

He did not mention the fifth which I am going to mention tonight. The foreign exchange control board has control of how much money may leave Canada. If you want any more controls on the thing than that, I should like to know where you will get them. I might say this now, Mr. Chairman. In the light of those controls, how can it be said that we are giving away our natural

Mr. Hansell: I have five reasons to believe they are following the communist line. The first is that there is not a communist in the country who wants this pipe line.

Mr. McGregor: That is a great statement.

Mr. Hansell: My hon. friend says that is a great statement. I say there is not a communist in the country who wants the pipe line built. Why? Because they do not want Canada to become great. Furthermore, they do not want the solidarity of the North American continent, because if we have solidarity of the North American continent then with the great economic power that lies to the south plus our tremendous natural resources we can defy the world. The communists do not want Canada to become great.

I heard the Leader of the Opposition say in the course of the debate some days ago that this pipe-line measure was fantastic. I know the connotation he put on the word "fantastic". I am going to use the same word but with a different connotation. The pipe line is a big thing. It is tantamount to building a railroad. It is a big thing, and any government or any company that has vision enough and faith enough in Canada to build a pipe line of this kind is attempting a job that will make Canada great. We cannot lag behind any other nation in the world so far as our efforts are concerned in trying to make Canada what it ought to be. The communists do not want Canada to become great. May I say that the following of blocking tactics that would result in the defeat of the bill will mean that a pipe line may never be built in Canada.

Mr. Ellis: Is that the best argument you can put up?

Mr. Fulton: The hon. member forgets that Canada never built a railway for the benefit of the United States.

Mr. Hansell: Mr. Chairman—

Mr. Fulton: I know you do not like it.

The Deputy Chairman: Order.

Mr. Hansell: I do not forget anything. I do not forget what the hon. member for Kamloops has been saying over the past few days and what he has been trying to do. I do not forget that.

Mr. Fulton: I have been trying to defeat this bill.

Mr. Pearson: Trying to become a martyr.

Mr. Hansell: What did I see in the Ottawa *Journal* of May 24?

An hon. Member: Closure.

Mr. Hansell: I saw a picture under which was a caption.

[The Deputy Chairman.]

Mr. Fulton: A comic?

Mr. Hansell: Yes, it is a comic. I will tell you what it is. It is a picture of the attitude of the Conservatives and the C.C.F. in this house. That is what makes it comical. It is a picture of a truck. The truck has a sign on it, "Keep the gas pipe line all-Canadian". Then there are a number of other signs on it that are not too distinguishable.

Mr. Ellis: Oh, oh.

Mr. Hansell: Every time the hon. member for Regina City interrupts I feel like saying, "Foghorn Ellis blows again." Under the picture, Mr. Chairman, there is a caption reading as follows:

> Pipe line in effigy—The united electrical, radio and machine workers union of America, with a Canadian membership of 25,000, dislikes the government's Trans-Canada Pipe Lines Limited proposal. To show their displeasure, U.E. representatives drove this truck around Ottawa. Petitions and telegrams have been sent to members of parliament. The union wants the pipe line built by the Canadian government to "do away—

Listen to this and see if you cannot read in here something of the same flavour found in the tactics pursued by the members of the Conservative and C.C.F. parties in this debate.

> —"with the subsidy to a private corporation and the United States give-away."

Anyone who knows the history of the leaders of the united electrical, radio and machine workers union will know where they are headed. Some of us know that these leaders are communists. That is their line. Here is another example. As we came up to or left the building at noon what did we find outside this house?

Mr. Fulton: More sense than we have heard in it from you.

An hon. Member: Oh, keep quiet.

Mr. Hansell: We found a parade put on by the communists, and they were handing out leaflets. The title of the leaflet is, "Stop, Look, Listen, Premier St. Laurent!" The pamphlet continues:

> Open letter to the government of Canada
> Brought to Ottawa by a motor cavalcade from Montreal, Toronto, Hamilton, Kitchener, Windsor, Sudbury and other cities, May 28, 1956.

How does it read? I am not going to take the time to read it all but I would ask you, Mr. Chairman, to note some of the phrases. To the Prime Minister they say:

> So far you have turned a deaf ear to the patriotic outcry of Canadians.

Who were these people who were parading outside here today to talk about patriotic Canadians?

Mr. Pickersgill: Tory photographers.

vested in the name of Her Majesty or in the name of the corporation.

What corporation? Again unnamed.

Actions, suits or other legal proceedings in respect of any right or obligation acquired or incurred by the corporation, whether in its name or in the name of Her Majesty, may be brought or taken by or against the corporation, in the name of the corporation, in any court that would have jurisdiction if the corporation were not an agent of Her Majesty.

What corporation? This is where we start. What corporation? I say that no opposition, no group of members of parliament in the history of parliament, have had to begin the discussion of an important measure like this—

Mr. Fulton: No parliament.

Mr. Coldwell: No parliament has had to discuss an important measure like this in the middle of a bill concerning an unnamed corporation. I cannot for the life of me understand why the government has allowed itself to be reduced to this stage. Of course I quite believe that the only reason we are discussing this clause tonight, instead of having it moved again that further consideration be postponed, is because of the public outcry from one end of this country to the other. This will not in any way allay that public outcry, nor will it reduce the efforts of those of us on this side of the house in opposing it, regardless of our party affiliations. It will not reduce the opposition that we have been carrying on against this particular measure. I very sincerely hope, because it is not in the best interests of Canada, that the opposition will be strong enough to prevent this bill from going through before the deadline. I see some on the other side of the house laughing. There is a powerful majority in this house.

Mr. Fulton: It is not so powerful.

Mr. Coldwell: It is so powerful it has become arrogant. It thinks that whatever it wishes to do it can do. Perhaps a demonstration can be given that it is not quite as powerful as it considers itself to be. We shall see.

The Deputy Chairman: I am sorry to have to interrupt the hon. member, but I must inform him that his time has expired.

Mr. Hansell: I am very glad that the opportunity at last has been given to this group to express its views in respect to the present bill.

An hon. Member: Turn on the closure now.

Mr. Hansell: We have taken very little of the time of this house in the past week, as we have not been too much interested in the blocking tactics.

Mr. Ellis: You were trying to railroad it through.

Mr. Hansell: Mr. Chairman, I only have half an hour in which to speak—

Mr. Brooks: Too long.

Mr. Hansell: —and I would ask that I at least be given the floor without too much interruption. If I should be interrupted I hope, Mr. Chairman, that you will take notice of it and give me some credit as far as time is concerned.

As I say, we have had very little to say on the pipe-line bill. We spoke on it when the first resolution was introduced in the house some weeks ago. Since that time we have had little to say. We have not joined in what we would call the blocking tactics of the Conservatives and the C.C.F. in the house. We have remained silent all the way through. We wish, however, to state our position on the bill. We support the pipe-line bill because we want the pipe line and at the earliest possible time.

But, Mr. Chairman, there is another reason why we support this measure, and it may sound strange when I indicate to you what that reason is. You know, very often I have the habit of making a decision on the basis of what the enemies of democracy want, and if I determine what the enemies of democracy want then I do not want it. If I can determine what the enemies of democracy do not want, then I want it. I am on fairly safe ground in taking that as a barometer.

Now, Mr. Chairman, I am going to say this. With respect to the present pipe-line bill I ask this question: What do the communists want? I say to you, Mr. Chairman—

Mr. Rowe: Closure.

Mr. Brooks: Dictatorship.

Mr. Hansell: —that the Conservatives and the C.C.F. are following the same line the communists want followed.

Mr. Ellis: They have closure in Russia.

Mr. Hansell: In saying that I am not implying in any way that any of our friends who sit on the opposition side are themselves communists.

An hon. Member: That is very decent of you.

Mr. Fulton: We are not even anti-Semitic.

Mr. Hansell: I am saying they are following the communist line and are playing into the hands of the communists.

Mr. Fulton: We are not even anti-Semitic.

Mr. Johnston (Bow River): Who is?

Mr. Fulton: You are.

Mr. Johnston (Bow River): You are a liar.

The Deputy Chairman: Order.

of this whole thing is the debate which is going on in the province of Quebec where the Liberal leader in that province, if I read his speeches right, is criticizing Duplessis for giving away the natural resources of the country to United States corporations.

An hon. Member: That is right; giving away.

Mr. Coldwell: Giving away resources to United States corporations. May I ask my hon. friend what this government are doing—

An hon. Member: Giving away.

Mr. Coldwell: —if they are not entering into a plan which is a give-away—

Some hon. Members: Oh.

Mr. Coldwell: —of a great Canadian resource? Mr. Duplessis gets some revenue by way of royalty from that resource in Quebec. The province of Alberta will get a royalty from the gas in that province. The analogy is just the same. And what are we doing?

Some hon. Members: Oh.

An hon. Member: We cannot give away what we do not own.

Mr. Coldwell: We cannot give away what we do not own, but I say that what we are doing is financing the project for them. The minister shakes his head, but there is $130 million; $80 million.

An hon. Member: What's a million?

Mr. McCann: To build a transportation system.

Mr. Coldwell: Yes, to build a private transportation system.

Mr. McCann: You have been so used to getting everything for Saskatchewan that you deny anything for eastern and central Canada.

Mr. Coldwell: I am very glad to know that the government of Saskatchewan has been getting everything for Saskatchewan.

Mr. McCann: Millions of dollars worth.

Mr. Coldwell: Well, that is a very interesting statement from the minister. I am very glad to hear it, but may I say this to the minister—

Mr. Fulton: He has been taking everything away from Saskatchewan for so long.

Mr. Coldwell: —that the government, which can find approximately $200 million to assist in the financing of a United States-controlled project in this country, cannot find the money to build the South Saskatchewan dam—

Mr. McCann: The same old story.

[Mr. Coldwell.]

Mr. Coldwell: —to safeguard the people of that province from the recurrent drought. Unless I am provoked into doing it I am not at this point going to enter into the Saskatchewan provincial election in this chamber. I am not going to do it, but if I am provoked into it you will get a speech in which, I think, every criticism that has been made can be answered in full in this house. I am not afraid to do so, but I have always taken the view that this chamber is not the place in which to fight provincial elections and, unless I am provoked into it, I am not going to do so. But provoke me into it, mind, and I assure you I can and shall do it.

I have just been in the mood over the past week to be provoked. I have never felt quite as down in the mouth since I have been in the House of Commons as I have during the past week, when I have seen this overthrow of democratic procedures in this parliament. I have never felt as depressed about anything as I have felt about this during the past week in the House of Commons. My hon. friend says, "Some of you people have been blocking the discussion of this." Not at all. What we have been fighting for is the right of this house to discuss this measure in a proper manner.

Mr. Knowles: We have not got that right yet.

Mr. Coldwell: No, we have not got that right yet. This afternoon when the Prime Minister rose on a question of privilege, I hoped he was going back to start this discussion at the proper place, on clause 1. When my good friend the hon. member for Vancouver-Kingsway (Mr. MacInnis) rose in his place, against all the advice he has had over the past several months, to make a speech this afternoon, and made an excellent speech—

Some hon. Members: Hear, hear.

Mr. Coldwell: —I was hoping that when he stepped down the Prime Minister would cooperate with at least those of us who want to discuss things properly in this house and say, "We shall now go back and pick up the clauses that have been so—I shall use my own words—"improperly postponed". However, that has not been done, and the result is that we have only clause 4 of this bill before us. It states:

The corporation—

—unnamed—

—is for all purposes an agent of Her Majesty in right of Canada and its powers under this act may be exercised by it only as such agent.

What corporation? It is unnamed.

Property acquired by the corporation is the property of Her Majesty and title thereto may be

people of Canada should understand exactly the manner in which this project is being financed and undertaken.

I should like to draw further attention to the bill passed in the Ontario legislature. I shall not read the preamble, as I do not think that is necessary, but here is the operative part of the bill:

Therefore, Her Majesty, by and with the advice and consent of the legislative assembly of the province of Ontario, enacts as follows:

1. For the purpose of implementing the arrangements made or to be made—

I want to get that on the record because that is the language of this particular bill in clause 7, which we shall discuss more fully when we come to it.

—between the government of Canada and the government of Ontario to facilitate the construction of a connecting link through northern Ontario of a pipe line to transport natural gas from Alberta into central Ontario, the treasurer of Ontario is hereby authorized to loan from time to time out of the consolidated revenue fund any sum of money, but not more than $35 million, to a corporation constituted or to be constituted on behalf of Her Majesty in right of Canada and having as a purpose the construction aforesaid.

There we have the Ontario act; there we have the reason the wording of that act is in the manner indicated. That is clearly set out in the *Hansard* of the province of Ontario.

I want to say that we are opposing this measure, not because we think there is another Canadian company which could undertake this construction but because we believe that this gigantic project which will have so much to do with the future welfare of this country should be a public utility, controlled, owned and operated by the people of Canada, particularly as the people of Canada are financing it to the extent I have already indicated.

We are told that we cannot get the pipe. I know nothing about the availability of steel, but I do know that when one of our provincial governments was about to enter into an arrangement with a European firm to establish a plant for the manufacture of pipe for the conveyance of gas the Steel Company of Canada, I believe it was, immediately placed before the tariff board of this country a demand for an increase in the tariff on steel plate or skelp for the making of steel pipe.

I can tell you the result. In spite of assurances which were given that this would take a long time on the part of the tariff board to examine, and even then it would have to be taken up with our co-operators in the general agreements on tariff and trade, or GATT, that European company was frightened and withdrew its consent to the building of that plant. I have the particulars in my office upstairs, and I know that what I am saying is quite correct. In spite of the fact that they were told authoritatively that they need not worry for at least a couple of years, that company did worry and the negotiations for the construction of that plant to manufacture steel pipe ended at that stage.

As I say, I do not know about the availability of steel pipe, but I do know that there are very powerful interests in this country which are determined to keep the natural resources and everything else they can put their hands on under their own control. I say that the Canadian people will never be free of those interests until those monopolies, for such they are, are made public utilities and taken out of private hands.

The other day when he was being pressed regarding Canadian control of this measure and the sale of stock to people in Canada, not necessarily to Canadians, the Minister of Trade and Commerce said there was no way short of public ownership to guarantee complete control of this project to the Canadian people.

Mr. Howe (Port Arthur): I think I said majority ownership. I said rather that control by Canada did not rest in stock ownership but in the fact that the line is located in Canada.

Mr. Coldwell: I think I can pick up the words of the minister which will support what I have said, rather than the explanation given. The minister has said several things several times, and I am not quite clear as to what he has said; but I am pretty clear regarding this. May I say to the Minister of Trade and Commerce that this project should have been publicly owned. However, when we moved that we stood alone in that regard in the house. I am convinced that the day will come when the Canadian people will see that what we suggested at that time was in the best interests of our country.

I do not say that the distribution of the gas in the provinces could not be undertaken, if a province desired, by private enterprise. I think sometimes private enterprise has a role to play in the economy, but I am certain that it has not a role to play when we are dealing with a gigantic project of this description, with a great public utility of this sort.

So I am standing here tonight and saying that if members of this House of Commons approve of this particular proposal they will be doing something which I believe will have repercussions in the future which will not be in the best interests of this country. Over the years most of us in this house have seen our natural resources slipping away from us. I think one of the most incongruous features

of Commons; and with the introduction of that resolution closure was foreshadowed, closure moved.

Then when the bill comes before us, on the first clause of a bill such as I have in my hand it has always been the right of the members of this House of Commons to discuss the objectives and implications of the measure. What did the Minister of Trade and Commerce do? He moved not that consideration be postponed but that further consideration be postponed, putting on the record of this house something that was entirely false; for there had been no consideration. Further discussion postponed!

Clause 1 is the most important clause of this bill, but we were not allowed to discuss it. Clause 2 received the same treatment; clause 3 received the same treatment; and because of the outcry in the country, because of the violent criticism in the press as well as the criticism in this house, the Prime Minister rose this afternoon on a point of privilege and said that we were going to be allowed to discuss clause 4.

Mr. Fulton: Privilege which he denied to other members over here.

Mr. Coldwell: Privilege he was going to grant the house.

Mr. Rowe: Just until Friday, though.

Mr. Coldwell: To what have we come in this chamber when we are told that we are going to be permitted to begin a discussion of clause 4? Discussion of clauses 1, 2 and 3, a knowledge of which is required to understand clause 4, is denied to us. Clause 4 says that the corporation is a body corporate having capacity to contract and to sue and be sued in the name of the corporation.

Mr. Knight: What corporation?

Mr. Coldwell: What corporation? An unnamed corporation, just as we have in another part of this bill an unnamed company to carry out a very important part of this entire project.

The other day the hon. member for Winnipeg North Centre said this bill contained a joker, a joker that would enable this government, if it wished, to make another agreement. The Prime Minister said, and I have his words here as reported at page 4173 of *Hansard*:

> With respect to the statement made by the hon. gentleman that there is a joker in the bill because it refers to contracts which have been made or which may be made, I would refer him to the first clause of the act which was passed by the legislature of Ontario.

Had the Prime Minister read not only the first clause of that act of the Ontario legislature, but had he read what was said on that clause when it was introduced into the legislature of Ontario? This is what was said. I am quoting from page 382 of the *Hansard* of the Ontario legislature for Tuesday, February 21, 1956:

> The federal government have made their decision as to the most practical method of action under the present circumstances. That is their responsibility.

This is what Mr. Porter said; I continue:

> We believe that we are fully justified in giving the fullest co-operation and support financially and otherwise.
>
> This is the purpose of the bill, but on the other hand, the bill is couched in flexible terms. If, for any reason the present plan does not go through in its present form or if it fails entirely,—

And these are the significant words:

> —the bill will permit the government to consider alternatives and advance moneys within the stated limits to further any other arrangement that may be adopted.

In other words, the Ontario bill clearly indicated that in the event of any other agreement to be made by the federal government, their bill was flexible enough to enable them to come under it. That is why the words in the Ontario bill that the Prime Minister drew attention to were put in that bill. Is the same flexibility in the bill now before us? Was that the intention? We do not know.

I agree with the Leader of the Opposition completely when he says that this bill should be referred to the appropriate committee of the House of Commons where we could hear witnesses and go into all the aspects of the matter. I do not agree with the hon. gentlemen to my right that there is a possibility of a Canadian company undertaking this plan at the present time. Of course I believe that it should have been undertaken as a public enterprise, since we are putting up these large sums of money. I know that when I said we are financing this measure to the extent of approximately $200 million that statement was contradicted, but that is exactly what we are doing. We are appropriating $130 million in this bill and we are saying, "You can temporarily use $80 million of that to finance the prairie section of this project". In other words we are financing both the prairie section and the northern Ontario bridge section.

In other words the people of this country are financing—maybe some of the same money is used—some $200 million of this project, as the Leader of the Opposition has said and I repeat, for a United States corporation which is controlled 83·4 per cent by powerful gas and oil companies in the United States. I say this is a scandalous thing; it is an outrageous thing, and the

Canada. We do not want to see this government use its power to put up Canadian taxpayers' money to finance an operation which will place the profits in the hands of a company 83 per cent owned in the United States, which has failed in its undertaking to finance this operation.

If that company is to be given permission to proceed with this, then let the government take the appropriate steps to demand the delivery of the equity stock which is not now outstanding. Let this government assure, by the steps it can take, that control of this company will really be kept in the hands of Canadians in the years ahead.

This is a great venture, an important venture, but not by any manner of means the largest that has been undertaken by Canadians. I still believe that if this government would only open this up and explore other channels, without any delay this could be a venture undertaken in the interests of Canada and under the control of Canadians in the years ahead.

Mr. Coldwell: Mr. Chairman, it is very difficult indeed to discuss this bill at the present time because we are on clause 4. Clause 4 speaks of a corporation, and that corporation is not defined in the clause. We have postponed the passage of clauses 1, 2 and 3 of this bill under what amounted to the most pernicious form of closure I have ever seen. I want to say at once, Mr. Chairman, that to my mind over the past week or so we have been witnessing in this house what is really a travesty of parliamentary procedure. I think you could search the records of any parliament within the commonwealth and you would find nothing similar to the travesty that we have witnessed in this chamber over the past week or ten days.

I want to say to hon. gentlemen opposite that they have been where they are for 21 years. Inevitably the time will come when the Canadian people will put another government in office and they will have to change sides. When they change sides and sit in the opposition they may find themselves faced with the precedents created in this debate. I want to say that no political party in Canadian history has ever made a rod as firm and effective as the rod that has been created in this house to frustrate an opposition in the days to come.

I am not going to criticize the chairman tonight. I am not going to join in the criticism of the Speaker of this house which is so prevalent in the newspapers of the country. But I am going to point this out to the house generally, that the rules of this house which have been formulated over the centuries were formulated not to preserve the power of governments but to protect the rights of those who criticize the government.

Just over a year ago I happened to be driving through the United Kingdom. One evening I stayed at a small hotel at a place called Burford in the Cotswolds. In the evening I met a gentleman whom I took to be an Anglican clergyman. He proved to be a Roman Catholic priest. He said to me, "If you are interested in things of the past, before you leave this town go down and see the Methodist chapel." I thought that was rather strange advice from a Roman Catholic priest. He said, "The Methodist chapel was the home of a man who did much to preserve the rights of democracy. I do not know what you do or where you come from." I said, "I happen to come from Canada, and I happen to be a member of the House of Commons there." He said, "Go down and see that house, the home of Mr. Speaker Lenthall who, when the government in the person of King Charles I went to the House of Commons to arrest five members whom he disliked, refused to bow to the power of that government, which was the king himself; and when Charles demanded that Mr. Speaker deliver those five members, Lenthall stood firm and established a sound democratic principle when he said this: 'May it please Your Majesty, I have neither eyes to see nor tongue to speak in this place but as the house is pleased to direct me, whose servant I am.' "

A servant of the House of Commons! In this past week or ten days we have seen a powerful government wreak its will on this institution. A week or so ago in the debate I interjected the remark that the actions of the government were worse than the actions of Guy Fawkes, who plotted the blowing up of the House of Commons in Britain over three and one-half centuries ago; for all Guy Fawkes was doing was plotting to set a match to a fuse to blow up a building, to blow up bricks and mortar, but what has been done in this house over the last week or 10 days was not a plot but an achievement to blow up the democratic rights of parliament itself.

I have been one of those who have said over and over again that I thought parliament was the finest institution that man had ever devised for his own self-government; but I wish to say, Mr. Chairman, that over this last week I have sat here sick at heart at what has been done in this chamber to this institution of parliament in this country. Debate! A resolution was introduced in this house foreshadowing one of the most important bills that we have had to deal with since I have been a member of the House

that is the only thing he has not done. He has placed it under control in the United States. The only thing he has not done is to say that it will be governed by the company laws of the United States.

An hon. Member: Nonsense.

Mr. Drew: Mr. Chairman, I hear the usual thoughtful comments of "nonsense". These comments are typical of the extent to which members opposite take part in this debate. I hear one hon. member opposite say that is the finest word that has been said on this side. That word "nonsense" is just about the most intelligent remark that could be made on the other side, because everything that is being said on the other side is nonsense when they talk about the rights of Canadians being protected and when the Minister of Trade and Commerce talks about a declaration of independence—I hope that was not emotionalism, which the Minister of Trade and Commerce does not like—that places the control of this great resource at the expense of the Canadian taxpayer in a company that is 83 per cent American owned. If you want to describe that as nonsense, then applaud now and you will be showing some sense. Yes, that is really where this government is showing exactly what it is prepared to do.

Now, Mr. Chairman, this government has still some opportunity to keep this whole operation under Canadian control. An attempt was made to suggest that this is similar to the Canadian Pacific venture. I would point out that in the case of the Canadian Pacific it was not a case of the majority of the directors, practically all of whom are one-share directors, being Canadians. In the case of the Canadian Pacific Railway, right from the beginning the act itself has provided that the president and the majority of the board of directors must be citizens of Canada.

Mr. Lesage: No, not for the Canadian Pacific.

Mr. Drew: Must be citizens of Canada and British subjects.

Mr. Lesage: British subjects.

Mr. Drew: Must be citizens of Canada and British subjects.

Mr. Boisvert: British subjects residing in Canada.

Mr. Drew: One of the hon. members opposite in the back row shows that he knows more about it than the minister who has intervened. He points out that they must reside in Canada. Of course, at that time any British subject who resided in Canada was a citizen of Canada, because at that time there were no separate citizens.

Mr. Lesage: There is nothing about residing in Canada.

Mr. Drew: Well, the minister can enter into an argument over that with the hon. member in the back row who has corrected him.

Mr. Rowe: You were too young to understand that.

Mr. Drew: At the very beginning—

Mr. Hunter: I can read the section to the Leader of the Opposition if he wishes to relieve his ignorance. It is right here.

The Deputy Chairman: I should point out the Leader of the Opposition cannot and must not be interrupted except with his consent.

Mr. Drew: The hon. member will have plenty of time to make his speech, that is until closure falls again.

We have not been permitted to obtain the information that could be obtained because of the procedure that has been followed. I still hope the Prime Minister will demonstrate some respect for parliamentary procedure by giving the appropriate directions, which all of us know will be accepted by hon. members opposite and supported, that we revert to section 1 of this measure so questions can be asked and information obtained.

We want to get certain information from the Minister of Trade and Commerce as to where the first discussions took place with Mr. Clint Murchison in regard to this deal we now have before us. We want to find out from the Minister of Finance what the actual reason was for presenting this, because it was not the reason given by the minister in his statement to the house. We want to find out from the Prime Minister why he is now supporting a measure of which he said last July he did not approve. We want to find out from the government generally why they waited right until the last minute without opening up any possibility of allowing anyone else to have an opportunity of building this pipe line and showing that this could be done by Canadian financing and kept under Canadian control.

I believe, Mr. Chairman, that it is the wish of the people of Canada, and I would hope it would be the wish of the members of this house, that the great natural resource which we are told is needed so much in Winnipeg, in northern Ontario, in southern Ontario and in Quebec, will be made available to us under a company that is operated under the direction of Canadians and in the interests of

company was well able to finance this whole venture. It was upon that basis that the committee passed this application. Then the next stage was before the board of transport commissioners, that judicial body which hears applications of this kind. Before that board evidence was presented that, without any export, a line from Alberta, through Saskatchewan, Manitoba and Ontario, to Montreal could be built and financed by this company without any government assistance of any kind.

We have heard not one word of evidence to the contrary before any committee of this house or before the board of transport commissioners from the people who obtained their charter and franchise on that solemn undertaking. Yet we now have before us, first of all, the suggestion that a crown corporation should be set up to use the money of the Canadian taxpayers to build this line through northern Ontario. Then, finding they cannot proceed with that, the government proposes that $80 million of the $130 million to be financed through the crown corporation will be handed over to Trans-Canada Pipe Lines to pay 90 per cent of the cost of the line from Alberta to the vicinity of Winnipeg. We are not allowed to have produced before a committee information as to why this is necessary or why this should be done.

The taxpayers of Canada are going to provide the capital. Do not let anyone on the other side talk about the advantage of bringing United States investment in here. They are not bringing United States investment in. This company is not doing it. This government is asking parliament to take the Canadian taxpayers' money to finance a venture which is 83 per cent United States controlled, and in that way to hand over the control of one of our greatest resources to that United States company. This is precisely the opposite of what was presented to us in the speech from the throne on January 10. This is precisely the opposite of what was presented to us on March 15 when the Minister of Trade and Commerce brought before us the motion which has now been abandoned.

Mr. Chairman, this is on the part of this government the abandonment of all responsibility to the people of Canada. We are told that Canadians cannot finance this venture. We are told they cannot put up the money. They are going to put up the money; and unless hon. members opposite assert their rights and do something about this matter, this government is going to conduct one of the most outrageous sell-outs there has ever been of Canadian rights and Canadian interests. There is going to be a sell-out of the major portion of our gas resources to a company which is 83 per cent United States controlled, and Canadians are going to be asked to finance that sell-out. They are going to hand over this resource.

Why is not this government asking for some compensating advantage? This company still retains its voting stock. It still retains its equity stock. If any private interests were putting up money in this way, they would demand delivery of most of the remaining equity stock in consideration for their efforts. Why does not the government demand that the remaining equity stock be handed over? That is not the stock that is going to finance the construction. That is the stock where the profit is going to be made. If this government really means that it has an interest in the welfare of the Canadian taxpayer, then let it get control of this company by getting over 50 per cent of the stock under the control of the government itself.

That, of course, is something which the government is showing no signs of doing. From the very beginning this government has been extremely solicitous, first of Clint Murchison, who had such ready access to this government. Then though Mr. Clint Murchison still holds one of the two largest blocks of shares in this company, it has now been handed over to the real and effective control of Mr. Gardiner Symonds of New York.

We have heard a great deal about the fact that there are a majority of Canadian directors of this company. You would almost think there was something virtuous about this fact. The Minister of Trade and Commerce has gone to some trouble to read into the record the names of these directors. Surely the Minister of Trade and Commerce has been informed that a company formed under the dominion Companies Act must have a majority of directors who are Canadians. I see an hon. member opposite shaking his head. Let him look up his Companies Act and he will find that this charter must comply with the dominion Companies Act, and that calls for a majority of the directors to be Canadian.

Mr. Chairman, I hear all the applause opposite. For what? For nothing; for the fact that this company is doing what every company must do which carries on similar operations under a Canadian charter. That is all; nothing else. I hear further applause from the opposite side. If ever there was applause for an extraordinary point of view, it is the present; because obviously hon. members opposite are applauding the minister's statement that he has not actually made this company subject to the company laws of the United States as well, because

Northern Ontario Pipe Line Corporation

But I think it might be well also to examine some of the documents that were filed in the house. One of the documents filed in the house by the Minister of Trade and Commerce just last week was a letter dated November 8, 1955, addressed to Mr. Gardiner Symonds of New York and signed by Mr. H. J. Wallace, vice-president of National Tube in the United States. Perhaps this paragraph of the letter would make interesting reading:

> This will confirm our agreement to extend to you such privilege in consideration of your commitment to us concerning the Winnipeg to Toronto section of the proposed trans-Canada pipe line. Such commitment is that if and when this section is constructed, Tennessee Gas Transmission will order a substantial portion of the pipe requirements from National Tube division, or, in the event Tennessee Gas Transmission is not the buyer of the pipe, you will use your best efforts to see to it that a substantial portion of the pipe is ordered from National Tube division. Please confirm that the above is your understanding by signing and returning the enclosed copy of this letter.

That was accepted on November 15, 1955, by Tennessee Gas Transmission Company and signed by the president of Tennessee Gas. Therefore we have Tennessee Gas Transmission Company, which now is the directing influence in Trans-Canada Pipe Lines, assuring its favours to National Tube division in the construction of pipe. When we talk about the construction of pipe I am not in any doubt that when two experienced and highly efficient companies like Page-Hersey Tubes, Limited and the Steel Company of Canada build a plant and decide in partnership to proceed with the construction of pipe, they have made arrangements for the steel to produce that pipe, and I most earnestly hope that in every way possible the government will make sure that it will be this Canadian company that will roll the pipe for the Canadian gas pipe line when that pipe line is being constructed.

Mr. McCann: I do not like to interrupt the hon. gentleman but the vice president of Page-Hersey, who is a resident of the town where I live, told me within the last week, and also one of the officers of the Steel Company of Canada, that they do not intend to make pipe larger than 30 inches—

Mr. Drew: Mr. Chairman—

Mr. McCann: —because there is no place to roll it.

Mr. Drew: In that case may I suggest to the Minister of National Revenue that he speak to the vice-president with whom he was in conversation and point out to him that it would be advisable to correct the statement they gave to the press in which they told the press that they intended to roll pipe up to the largest sizes that would be needed in Canada.

Mr. McCann: What size was that?

Mr. Drew: They said they would be ready to roll pipe up to 36 inches, which is two inches larger than the pipe now under discussion.

Mr. McCann: There is no company in Canada that rolls up to 36 inches.

Mr. Drew: Mr. Chairman, the statement that has been made can well be corrected if it is wrong, but this company, which is in a partnership with the Steel Company of Canada and our most experienced pipe company, has indicated that it is prepared to roll pipe up to the largest sizes required, and I repeat the statement that I would hope that in every way it can the government will assure that the pipe that goes into the trans-Canada pipe line, whatever may be the name of the company or organization that constructs the pipe line, will be Canadian pipe rolled here in Canada.

We have heard a good deal about the possibility of delay. Any delay that has taken place is delay for which this government is responsible. This government has had the whole subject under consideration for well over five years, and now it comes before the house just before a June deadline and says, "We have taken all this time to reach any conclusion and now you must abandon all the ordinary requirements, all the ordinary demands for information, and pass the measure that is before you or there will be delay." In this way, as has been said very appropriately, procrastination could be used as the thief of parliamentary rights and parliamentary procedures.

That is exactly what is being proposed here. What is being proposed is that because the government itself has procrastinated, we must abandon our rights of inquiry and examination. Under this proposal Canadians are going to be asked to do the financing that we were told this company could do on its own. Most of the hon. members in this house were here in the spring of 1951 when we were assured without reservation that Trans-Canada Pipe Lines could build this line in Canada, without any export, through to Montreal and could finance the whole thing.

The same statement was made and supported by evidence before the committee which sat to hear this application, the committee to which this bill had been referred. That committee, namely the standing committee on railways, canals and telegraph lines, was told without any qualification that this

be long delay, into the years 1958 and 1959, if we do not proceed now to use the pipe that is available.

We should ask ourselves when this pipe was ordered. This particular 34-inch pipe was ordered only last October, and it was understood that manufacturing would begin by February of this year. Is there any reason to suppose that when a company could proceed with the production of pipe in five months, there is some insuperable reason why it would not be possible for other orders to be filled in a similar length of time?

There is, of course, another angle. There is no gas pipe line in the United States using 34-inch pipe. No gas pipe line now contemplated in the United States has any thought of using 34-inch pipe. The 34-inch pipe that is manufactured will be available to anyone who undertakes the building of this line. The people who built the pipe built it for a particular construction, and that was from the Alberta border to the vicinity of Winnipeg. This government, any private organization that could go ahead, or any other body that was anxious to build this pipe line and had the authority to do so could pick up that 34-inch pipe. To suggest otherwise is simply trying to bluff this parliament. It was ordered for that purpose; it will be available for that purpose. Again, even if it were not, what about delay? If it were ordered now, only five months would pass until the pipe would be available.

I hope every hon. member is well aware of the fact that, while there was a very real steel shortage last October when the order was placed for this 34-inch pipe in the United States, the situation is very different today. Because of the very sharp and very great reduction in the output of automobiles in the United States, steel is no longer in short supply.

Mr. Howe (Port Arthur): Oh, oh.

Mr. Drew: As a matter of fact, steel is no longer in short supply.

Some hon. Members: Oh, oh.

Mr. Howe (Port Arthur): May I ask my hon. friend a question?

Mr. Drew: I see that some of the hon. members opposite seem to think that steel is in short supply.

Mr. Howe (Port Arthur): I have been trying to pick up some similar steel in the United States for some time. Can my hon. friend tell me a mill where I can perhaps get it?

Mr. Drew: The Minister of Trade and Commerce knows perfectly well that some of these people who were selling steel to the automobile companies are now out on the road trying to get orders for the steel they were going to sell to the automobile companies before they cut back production. He knows that perfectly well.

Mr. Howe (Port Arthur): Will my hon. friend ask one of these salesmen to call on me?

Mr. Drew: The Minister of Trade and Commerce knows perfectly well what the figures are. He knows perfectly well that there has been a tremendous cut-back in the demand for steel in the United States, and that steel would be available for the production of pipe. What a remarkable thing it is that this company was able to place an order last October to start production in five months and now, when there is a great cut in the demand for steel, it should be more difficult to get that production. The Minister of Trade and Commerce is simply bluffing, as he does so often; as he does in other statements to the house.

Mr. Howe (Port Arthur): If my hon. friend is not bluffing, perhaps tomorrow he will tell me of someone who will take an order for steel plate.

Mr. Drew: The Minister of Trade and Commerce has already told us about the extraordinary delay that would take place, yet he knows perfectly well that this particular company has made pipe that is available, and the Minister of Trade and Commerce knows that the 34-inch pipe would be available to whoever is going to construct the pipe line from Alberta to the vicinity of Winnipeg.

Mr. Howe (Port Arthur): He knows no such thing.

Mr. Drew: Then, of course, there is another thing that the Minister of Trade and Commerce should have in mind. He is well aware, because he has spoken about it in the house, that Page-Hersey Tubes, Limited, of Welland, in co-operation with the Steel Company of Canada, have recently announced that they are building a new pipe mill in Welland in partnership for the purpose of rolling pipe in sizes up to those which would be needed here in Canada, in the very largest size and any other size that would be required. This new mill is to be completed in December, 1956.

I should think the Minister of Trade and Commerce would be greatly interested in what is going to happen to that new mill, and would be greatly interested in the opportunity that the mill will give for the construction of pipe in Canada. Do not let it be pretended for one moment that it is not possible to proceed with the construction of the broad reaches of this pipe line in sections in different parts of Canada at the same time. Let them consider the possibility of using this pipe made in Canada.

14. The presentation of evidence and the questioning in relation to that evidence concluded on April 19. All these were dates that indicated a perfectly normal procedure before the federal power commission. Those hearings are now adjourned, as I assume most hon. members know, to give an opportunity to prepare direct evidence in reply.

Today the Prime Minister indicated that he did not know whether or not there is any Canadian observer who has been attending those hearings. In view of the interest of this government, I submit that there should be a representative of the Canadian government there. I submit, furthermore, that the Prime Minister should know what the facts are because, no matter who may put forward any motion or take the responsibility of letting any measure stand in his name, it is the Prime Minister as head of the government who must share the primary responsibility for what has been described as one of the greatest ventures undertaken in Canada.

It is hardly in keeping with that description of the importance of the Trans-Canada pipe-line development that the Prime Minister should be kept unaware of many of the developments that have taken place. He did not even know, during the period they were considering substitution of a new agreement with Trans-Canada Pipe Lines, that there had been another offer. Whether they had on their offer the words "private and confidential" or otherwise is unimportant. The Prime Minister was uninformed. The Prime Minister was uninformed in regard to other discussions that have taken place, and now the Prime Minister is uninformed as to whether or not we have a representative at these hearings. I submit that this is not the business of the Minister of Trade and Commerce alone. I submit that we have had enough of this one-man operation of government.

Before any hon. members opposite raise the slightest suggestion of objection to the time that we are taking to try to ascertain the facts, let them recall how little the Prime Minister was informed with regard to the essential facts while the renewal of the contract of Trans-Canada was in fact before the government itself for some considerable time. There was no reason why any aspect of the proceedings at Washington should have been a secret to the government, and there was certainly no reason for any surprise that there should have been this delay in obtaining permission. In fact it was stated definitely in the most responsible publications dealing with problems of this kind, many months before the end of last year, that there was not the slightest chance of permission being obtained for Trans-Canada Pipe Lines to export natural gas to the United States.

I go further. The discussion proceeds as though it were merely a question of how long it would be before Trans-Canada Pipe Lines gets permission from Washington. It may well be a question of how long it is going to be before Washington refuses entirely the application of Trans-Canada Pipe Lines. The reason for that is clear. Trans-Canada Pipe Lines has chosen to make arrangements with Tennessee Gas, which is in a gas war in the United States. The government has taken its part in entering that gas war. We should not be in that at all. Our main concern should be to get gas to eastern Canada. The government, on the other hand, persists in following a course which involves us in a struggle between great organizations in the United States for the control of certain fields of distribution.

I wish it were possible to place on *Hansard* a copy of the map showing the vast network of pipe lines in the United States. The whole of the United States is criss-crossed with gas pipe lines. There is the great gas pipe line, comparable in length with the ones we are discussing in Canada, which extends from the southwestern part of the United States right up to New York. Other gas pipe lines carry gas far into the northeastern part of the United States. The whole of that heavily populated territory is criss-crossed with pipe lines. The struggle that is taking place before the federal power commission is a struggle for markets.

That is one of the reasons the federal power commission holds these hearings. It is not merely a question of waiting until it hears evidence to give permission. It gives permission only upon evidence that it is desirable that a particular organization have the right to handle the gas in a particular area. What is happening in this case is that Trans-Canada Pipe Lines has made arrangements for export to an organization that is in very keen competition with a number of other organizations in the United States. Not only may there be long delay in reaching a decision but, when that decision comes, it may well be an adverse decision for the very reason that hearings are held before that organization.

Another matter that I would like to raise, and that has been brought before this house by the government, is the suggestion that there would be such great delay if we did not unquestionably accede to the proposal that, no matter how bad this proposition is, it must go ahead because there is only one place from which 34-inch pipe can be obtained. We are even told that there might

What happens then? The Minister of Trade and Commerce left us with the impression that if it came to that point, unattractive though the proposition might be to the government, they would then be called upon to consider public ownership. We have the right to know exactly what the government has in mind. It has not stated yet what it really does intend to do. When the Prime Minister rose to deal with the statement I had made about the extraordinary effect of clause 7 he made it clear that this government did contemplate the possibility that there might be some agreement between Trans-Canada and the government after this bill goes into effect which would vary the existing agreement now placed before us. He made that abundantly clear. Therefore we are asked to pass this and other sections of the bill without knowing what the government intends to do next April if by that time Trans-Canada has not been able to get permission from the federal power commission at Washington to export gas to the United States.

The Prime Minister was asked the straight question: Does the government intend to take over this line at that time? The Prime Minister has made it clear that the government is not yet prepared to say definitely what it will or will not do at that time. I think we have the right to know. If the government says definitely that it intends to take over that western section in April of next year if Trans-Canada Pipe Lines have not been able to carry out their financing by March and repay whatever part of the $80 million has been put into the construction of this western section, it should tell us. We should know. So should Trans-Canada. So should the public of Canada. So should everyone. If the odds are that this is to be a public venture in any event by next April, let us know it now so we can discuss the whole subject with a recognition of that fact. That is the least we have the right to know.

I had certainly hoped that in the discussion of clause 1, long before we got to clause 4, we should have insisted upon a clear and unqualified answer to that proposal. I find it difficult to believe that there is not some private undertaking between the government and Trans-Canada Pipe Lines at this time which has not been disclosed to us. I find it difficult to believe that Trans-Canada Pipe Lines would be prepared to put up this additional money unless they had an unqualified secret agreement with the government that when next April comes there will be some new arrangement which has not been disclosed to us.

It is true that they are putting up only 10 per cent, but how many people would like to have a chance of that kind? They are putting up only 10 per cent of the cost of construction, but it does not make sense that Trans-Canada Pipe Lines would put up the number of millions of dollars they are called upon to put up, even though it is only one-tenth of what the Canadian taxpayer is going to put up; it does not make sense that they would put up that money unless there is right now an unqualified agreement that if permission has not been granted by the federal power commission to import gas into the United States by March of next year there will be some new arrangement entered into under which Trans-Canada Pipe Lines may well still be the favoured and chosen instrument of this government. This is another thing which should have been fully explained to us.

Do not let anyone on the side of the government suggest that we are putting forward questions which create uncertainty. We are putting forward the only obvious alternatives. Let them tell us which it is. Is there an agreement clearly understood between the government and Trans-Canada Pipe Lines, or does the government intend to take this over if Trans-Canada Pipe Lines have not been able to repay whatever part of the $80 million has been put up when the time comes for repayment at the beginning of April next year?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at eight o'clock.

Mr. Drew: The discussions that have taken place this afternoon have all related to the bill now before us and the clause we have under consideration, but I want to speak about some of the statements that were made by the government in the earlier stages of this discussion. I particularly want to refer to the suggestion that the government has been caught by surprise by the fact that the federal power commission has not granted permission to Trans-Canada Pipe Lines to export gas to the United States through the instrument that will be handling it on the other side of the border.

The fact is that the federal power commission has moved at its ordinary pace. The government knew perfectly well what has been the ordinary method of handling business by the federal power commission. This application was filed on October 10, 1955. The order for hearing before the federal power commission was issued in January of 1956, and the hearings began on February

Canadian taxpayers' money to the extent of $130 million should be put up at the request of this government and with the support of parliament to make it possible for a company, which had said it could do it without any assistance, and which was 83 per cent owned outside of Canada, to build the line. The original motion was in conformity with that statement. Then this subject came forward for discussion on March 15. At that point apparently the government came to the realization that the company could not carry out any of its undertakings, and therefore it examined the possibility of some alternative plan.

When hon. members opposite object to our discussion of this measure let us remember that this government had been considering this subject not only for the nearly five months that have elapsed since the speech from the throne was presented, but it has been discussing it for months longer than that, and it did not come to a decision until the last three weeks as to the kind of proposal it was going to put before us. Why should hon. members opposite be so impatient if we seek to have some opportunity to examine, to consider and to discuss a proposal of this kind when the government itself found it impossible to reach a final decision until after all those many months?

Now we have before us something entirely different. The main purpose of the measure now before us is not the construction of the northern Ontario bridge. The primary purpose of what is before us is to siphon off money to be given to a crown corporation ostensibly formed for the purpose of building the northern Ontario bridge, and then use that public money for the construction of the pipe line from the Alberta boundary to the vicinity of Winnipeg. Surely that is one of the strangest devices ever put before parliament. Create a crown corporation to build the northern Ontario section of the pipe line, and then siphon off the funds made available to that corporation for the purpose of the construction of an entirely different segment of the whole pipe line.

Why, Mr. Chairman, one of the reasons why we should have been permitted to discuss the earlier sections—and I trust we can mention this much of the earlier part—is that this is called an act to establish the Northern Ontario Pipe Line Crown Corporation. That is not what we are talking about. What we are talking about now is a plan to advance money for the construction of a pipe line from western Canada. Why not call it that? Why not have two measures? If the government is determined to go through with this other measure, then bring in a bill to deal with that section and set aside whatever money is necessary for that. We do not believe it should be done, but that at least would be dealing with this frankly.

We have heard a good deal in the past days of not doing by indirection what cannot be done directly. Well, let us not do by indirection something in this case which has no direct relationship to the declared purpose of the bill now under consideration.

Now, Mr. Chairman, the corporation which we are now discussing is a corporation for the nominal purpose of building the northern Ontario section. Just let us see exactly what strange result flows from what is placed before us. One hundred and thirty million dollars—and of course on this we can rely on the statements made in *Hansard*—is to be advanced from the public treasury to a crown corporation set up for the declared purpose of building that 675-mile section through northern Ontario from the Manitoba boundary to Kapuskasing. Out of that $130 million the corporation set up only for the purpose of building the northern Ontario section is to be permitted to advance to a private company, from money belonging to the Canadian taxpayers, up to $80 million. Surely that is one of the strangest devices ever put before this parliament. This crown corporation, set up for another purpose, is to advance 90 per cent of the cost of the construction of the western section of this pipe line. Control of that construction, the handling of the money, is to be in the hands of the private company.

What results from this remarkable beneficence of this government? What results from this strange diversion of funds? What results from this strange misapplication of the taxpayers' money? The pipe line will be built from Alberta to the vicinity of Winnipeg. The pipe line will be of a size which will assure the possibility of the export of gas at Emerson if permission can be obtained from the federal power commission at Washington.

What happens after that? Can Trans-Canada go ahead and place orders for the remaining part of the pipe line? We have been told that they cannot finance this portion until they get permission from the federal power commission. Every person who has had any contact with what is taking place at Washington is fully convinced that there is not a chance that permission will be granted by the federal power commission by the end of March of next year for the export at Emerson to the Midwestern gas company, which will be the designated company to handle the gas that would be carried by this pipe line.

line proposed to be built by Trans-Canada will include a public offering in Canada of the common shares of Trans-Canada's presently unissued capital stock in an amount of not less than 51 per cent of the total number of common shares of Trans-Canada to be outstanding after such offering has been made including the shares covered by such offering, and that it is Trans-Canada's intention to effect a wide distribution of such shares throughout Canada.

That is the section. I concede immediately, Mr. Chairman, that this section is not one that lends itself to a quick or easy interpretation. In fact it is one of those sections which needs very careful examination to ascertain exactly what it means. But there is one thing that does not require careful or extended examination. I should say it does need careful examination by the Minister of Trade and Commerce, but it does not need extended examination even though the Minister of Trade and Commerce repeats over and over again in his public speeches, and here as well, that this is a public offering to Canadians. That is not what the section says. It says that it will include a public offering in Canada of common shares of Trans-Canada's presently unissued capital stock. It does not say 51 per cent of all the capital stock, and that is what the Minister of Trade and Commerce is trying to suggest. It says nothing of the kind.

All this says is that it is the present intention of these parties, under an agreement to which the government is not itself a party, to make an issue which will bear the relationship of 51 per cent to the 49 per cent which represents the issued capital stock at the time a public offering is made. Let us see exactly what is outstanding. The shares now issued are 1,928,183; that is the 49 per cent. This agreement would be fully complied with if an offering is made of shares which will be 51/49ths of those shares now outstanding, and that would be a relationship of 51 per cent to the stock outstanding.

Mr. Howe (Port Arthur): May I ask my hon. friend a question?

Mr. Drew: Certainly.

Mr. Howe (Port Arthur): What about the words "issued or to be issued"?

Mr. Drew: It says:

—will include a public offering in Canada of Common shares of Trans-Canada's presently unissued capital stock in an amount not less than 51 per cent of the total number of common shares of Trans-Canada to be outstanding after such offering has been made including the shares covered by such offering—

It does not say anything about any offering from time to time. It is one offer; and whatever the intention may be, a single offering of 2,006,884 shares would fully comply with this agreement. This would mean there would be 3,935,067 shares outstanding altogether, and this agreement will have been fully complied with. That would leave a total of 6,064,933 treasury shares still in the treasury to be disposed of and to be handled by the majority holders as they see fit.

Now, Mr. Chairman, I have said before and I repeat that all this calls for, and all that needs to be done, in order to comply with section VI is that approximately 20 per cent of the voting stock of this company be sold to the public in Canada, and that agreement will have been fully complied with in its exact terms.

Mr. Rowe: Not necessarily to Canadians.

Mr. Drew: I would point out that this does not mean a sale to Canadians; it means a sale in Canada. I think we can very definitely take it for granted that those who hold those shares are not going to give over their control which they now exercise to the extent of 83 per cent. That is the percentage of the shares of this company now outstanding which is held by investors in the United States.

I would like to make another point clear. It is not with these shares that this company is going to be financed in its construction. If all these 10 million shares were sold they would not begin to have enough money to construct this pipe line. This pipe line is going to be financed by other types of securities, and this is where the profit comes; this is where the control is exercised in the United States.

One of the reasons given for extending such an extraordinary concession to this company in the first instance was that it was able to finance this whole venture without the intervention of the government. If United States investment had come in here and had built this line, then the original undertaking, whether or not it was desirable in its original form, would at least have been carried out in conformity with the representations made to this House of Commons, to the committee on railways, canals and telegraph lines, and to the board of transport commissioners.

Here before us now we have the remarkable proposal that a company, 83 per cent owned in the United States, is to be financed by the Canadian taxpayer through the intervention of this government. First, on January 10, in the speech from the throne, we were told that a measure would be placed before us to create a crown corporation that would construct that part of the pipe line through the 675 miles of northern Ontario from the Manitoba boundary to Kapuskasing.

Well, that in itself seemed an extraordinary plan. It seemed an extraordinary thing that

Mr. Fleming: It might have been amended.

Mr. Drew: It might have been amended to embrace two separate corporations. It might have been amended to embrace an entirely different type of corporation from that which is actually described in the words that have not yet been dealt with.

There are many reasons why this matter should have been dealt with in an orderly way. Intentionally or unintentionally, the government has been far from frank with this house in the explanation of why it was following this course. Let us take the explanation given by the Minister of Finance as to the reason it was suggested that this government undertake the construction of a pipe line through northern Ontario. I read from *Hansard* for Monday, May 21, at page 4140, from the statement of the Minister of Finance. These are his words:

> Mr. Speaker, the Trans-Canada Pipe Lines company found last year that this government and indeed the government of Ontario as well were insisting that the pipe line go through not the shortest northern Ontario route but a northern Ontario route which is longer than they normally would survey, and the result was they expected the government of Ontario and Canada to contribute in some way to the construction of that line which would be at an extra cost because of its length and direction.

Mr. Chairman, that is the only explanation that has been given for this course that is being followed, other than the statement that it is difficult country through which to build a pipe line. It was explained that the government had asked that a longer line be followed and the result was that they expected the government of Canada to contribute in some way to the construction of that line because there would be extra cost.

Now, Mr. Chairman, that simply is not so. If the Minister of Finance did not know what the facts were, then he made a very careless statement in such emphatic terms. After all, he was giving the explanation of the government for this course. The fact is quite the contrary, that the longer line will not cost more but will cost less. Let me read from the judgment of the board of transport commissioners, at page 379, following the hearing on August 18, 1955. This is what the judgment says, and just recall when I read this that the explanation that has been given for the government undertaking this strange device is that it would cost more:

> The route suggested by the company—

That is this longer route.

> —would cost approximately $1,500,000 less to construct than the alternative, and also the portion of the route along the gravelled country road will be less difficult of access than the alternative north of lake Nipissing where the line would have to leave the highway to avoid the muskeg swamp. There would also be a saving in operating costs made possible by not having to compress the Sudbury area gas through station No. 11 in the early years.

There is an explanation due to this house from the Minister of Finance as to the explanation he has given for the government presenting to this house this remarkable proposal to build the northern Ontario section. If the arguments of the government are as reliable as this in other cases, then surely the Prime Minister should be prepared to consider reasons why we should get back to a careful examination of every section of this measure, and indeed a thorough examination of this whole proposition.

Nor was it only in that case that we have seen the determined refusal of the government to accept the facts as they really are. I know what the purpose is when the Minister of Trade and Commerce, over and over again, repeats the statement that those who are the majority shareholders of this company have agreed to offer 51 per cent of the outstanding stock to Canadians. It has been pointed out on a number of occasions that there is no support for that contention. The section itself denies the accuracy of the statement, and still the minister comes back to it and came back to it as recently as May 14 during the discussion of this subject. Once again he repeated the statement that 51 per cent of the common stock was to be offered to Canadians.

Now, Mr. Chairman, that is not so and I think it is appropriate to put on the record exactly what the facts are so those who examine *Hansard* may understand why we have challenged that statement, and why we object to the repeated inaccuracies of the Minister of Trade and Commerce when he says there has been a proposal to offer 51 per cent to Canadians. This is the section to which he refers, and it is section VI of an agreement dated February 18, 1956, between Trans-Canada Pipe Lines Limited, of the first part; Tennessee Gas Transmission Company, of the second part; Canadian Gulf Oil Company, of the third part; and Hudson Bay Oil and Gas Company Limited, of the fourth part. May I point out that this is not an agreement with the government. The government is not in a position to enforce any section of this agreement. This is simply a voluntary agreement among the various corporations which make up this transaction, and this agreement could be varied at any time by agreement among the same parties and the government would have no legal power to intervene at that time.

This is the wording of section VI:

> Trans-Canada declares and agrees that its arrangements for the financing of the cost of construction of the west-east natural gas transmission

This building, in fact, is a building which shows the nature of this parliament. It is divided down the middle, showing the separation between the government and the opposition. The Speaker's chair is at the end of this hall in the centre. At the moment the chairman sits at the table which is in front of the Speaker's chair. Here in this house, to the right and to the left, are the two sides of parliament, a fact which indicates the balance between the statements and the actions of the government in power, and the right and, even more, the duty of the opposition to examine with the greatest care and to oppose with the utmost vigour where they believe opposition is wise and desirable.

An hon. Member: Obstruction.

Mr. Drew: Mr. Chairman, I do not intend even to put into the record the word I just heard uttered on the other side. However, I want to say I would hope that an hon. member who uses the kind of remark I just heard —and I imagine it probably was not heard by *Hansard*—is completely out of touch with the traditions of this institution and the solemnity with which we should regard anything that diminishes its strength and its responsibility.

An hon. Member: Obstruction.

Mr. Drew: Mr. Chairman, I would hope the hon. member who is making these offensive interjections would rise and identify himself, because it would be appropriate that *Hansard* should know by whom statements of this kind are made.

Mr. Habel: Mr. Chairman, I rise on the invitation of the Leader of the Opposition in order to say that I feel that the hon. member is absolutely out of order and is not speaking on the bill.

Mr. Drew: Mr. Chairman, we have not yet reached the point where it is out of order to talk about the rights of parliament and the rights of the members of parliament.

Mr. Knowles: Not yet.

Mr. Drew: I am, however, inclined to think there are some in this house who think it is out of order to talk about the rights of parliament. The interjection that has just been made is one which correctly interprets the attitude that has been expressed by the government and supported by its followers in these past few days. I would hope that even yet—

An hon. Member: Do we have to listen to more of this lecture?

Mr. Drew: Mr. Chairman, I just heard from the opposite side the remark "We have to listen to more of this lecture". If they are not getting from their own side, in caucus or elsewhere, any lectures on the rights of parliament, perhaps it is appropriate that some of the hon. members who find it so objectionable might listen to what is being said about parliament and its traditions, particularly about this parliament of our own.

When this building was damaged by fire and this new House of Commons was rebuilt and constructed in the way it now stands, it was constructed with a full recognition of the place of the opposition as well the place of the government and its followers. It is to that thought that I would direct the attention of hon. members; and even now at this stage I would ask the Prime Minister and his associates in the government to consider the position they have created by postponing the first three clauses and then bringing us to clause 4 without any of the defining clauses having been passed.

The Prime Minister by his words makes it quite clear that it was not the intention of the government to revert to clauses 1, 2 and 3 but rather that it is the intention to proceed to the termination of the consideration of this bill in its remaining stages. Mr. Chairman, this procedure destroys the effectiveness of our parliamentary system. In propriety, I cannot at this point deal with the contents of clause 1, clause 2 and clause 3; yet it is in clause 3 that we find defined all the terms which give the subsequent clauses any meaning. Then also clause 3 has been passed under this particularly—

Mr. Coldwell: Obnoxious.

Mr. Drew: —obnoxious form of closure, and clause 3 is the one that would bring the corporation into existence. It has not done so. The corporation has not yet been dealt with. If the government recognizes any rights of the opposition, then it recognizes the possibility that clause 3 might have varied the form of that corporation and that, when we came to clause 4, we would be discussing a different type of corporation from that which was contemplated in the original stages.

There are many reasons why that should have been the case. When we read the words "the corporation" in clause 4, why are we to assume that we are not dealing with a separate corporation to deal with the construction of the pipe line from the Alberta boundary to the vicinity of Winnipeg? In fact it would be much more sensible if that were so. I would point out that, far from our debate being narrowed by this situation, it has been extended because I have the right to assume that this corporation embraces any type of corporation that could have been created by the judgment of this house in the earlier clauses.

other occasions it may have been Liberals expressing criticism of a course of action followed by Conservatives in no way changes the nature of the sentiments that were expressed nor the cogency of the remarks. On the contrary they gain more weight by virtue of the fact that they were directed to proceedings much less objectionable than these. They were directed to the closing of debate by closure even after there had been substantial discussion of every section. Discussion on the earlier occasions when closure was first applied and on the succeeding occasions occupied weeks.

In the case, for instance, of the debate on the naval bill every section was discussed at great length. When objection was taken to the closing of debate in committee it was after the debate had been continuously before the house for three weeks in the committee stage alone. Never before was anything of this kind attempted. Therefore it is worth while to go back to what was said on August 28, 1917, by Hon. Ernest Lapointe, as found at page 5039 of *Hansard*:

> I contend that this house has neither the mandate nor the authority to pass such a measure. Now, this action on the part of the government becomes even more arbitrary when it is accompanied by the rigorous application of the rules of this house which are actually imposed upon us. It is assuredly tyrannical—I believe the word is still within the limits of moderation—to employ the gag in order to have such a measure passed by a parliament such as we constitute just now.

I go back to that point, and I wish to refer to this subject before I pass on to the general remarks I propose to make, because I do not think it is sufficiently understood that what the Prime Minister has placed before us this afternoon is no concession of any kind. Even if the government had kept to its planned schedule of postponing each clause as it came before the committee and then applying a blanket closure after 24 hours' notice there would not have been a closure of the debate in committee in any event until Wednesday night. Then with respect to third reading, under the rules the earliest that closure could have taken place would have been after 24 hours' notice, which would mean that in any event Friday would have been the earliest time the subsequent proceeding could have been brought to an end.

Therefore it is in that light that we must examine what the Prime Minister has said today when he tells us, and I use his words: "I want to state emphatically that as soon as the motion before the committee is disposed of, further debate on the bill can begin and there will be all this week for it to be continued in its remaining stages." We had all

the balance of this week in any event, Mr. Chairman, to discuss the bill in its remaining stages, so this is no concession whatever. It is no concession of any kind, and I think it is regrettable that the Prime Minister should come before us and, in an attempt to meet the criticism that has been made public that this is an effort to prevent discussion of the bill, make what appears to be an offer when as a matter of fact there is no offer at all.

I said immediately that if the Prime Minister were to make any offer on this occasion it certainly should be an offer to revert to the first clause of the bill and then to proceed through the bill in an orderly way. I would point out, Mr. Chairman, that if that course had been adopted we probably would have been further on in the bill now than we actually are, and with all the debate having taken place that would be appropriate under the circumstances.

I wish to repeat that while I have used a colloquial comparison that indicates something of the extent to which we feel the rights of parliament are being destroyed, we want no thought in anybody's mind that because we use such a colloquial comparison we do not mean exactly what we say when we place before the house that the precedent that is now being established, if it becomes accepted practice, ends for all practical purposes the existence of an effective opposition in this house. It is just as serious as that. I think every hon. member of the house who still recalls the great traditions of this institution will accept the proposition that it is the existence of an opposition which is in fact the hallmarks of our parliamentary democracy.

After a bomb had fallen through the roof of the building at Westminster during the war and the ensuing fire had gutted the House of Commons, a committee was appointed by Right Hon. Winston Churchill to consider the reconstruction of the House of Commons. I do not have his speech before me, but in making a short quotation from that speech I believe my words are accurate; in any event they are an accurate interpretation of words that were used by Sir Winston Churchill at that time. In going back through the history of the House of Commons and speaking of its traditions he said he hoped that it would be the decision of the committee to retain all the earlier characteristics of the ancient House of Commons. Then he used these words: "We shape our buildings, and then in time our buildings shape us".

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Ashbourne
Batten
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cavers
Clark
Crestohl
Dechene
Decore
Deschatelets
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lafrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Valois
Viau
Weir
Weselak
White (Waterloo South)
Wylie
Yuill—141.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Blair
Brooks
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Gagnon
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Robinson (Bruce)
Rowe
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Middlesex East)
Winch
Zaplitny—57.

And the house having resumed in committee:

The Deputy Chairman: Order. Clause 4. The Leader of the Opposition.

Mr. Drew: Mr. Chairman, I have already made certain remarks in regard to clause 4 which I shall not repeat because they will appear in *Hansard* in the same record. I did so thinking that a point of order had been disposed of, and the remarks I was making earlier were based upon the assumption that we were now dealing with clause 4 and for the first time, therefore, in a position to debate directly upon the bill since it came to the committee stage.

I would point out that to many of the hon. members opposite it must seem that some of the statements that have been made are very extreme in their nature. I want to make it clear that no statement that has been made is more extreme than the sentiment we feel about what is being done to the regular proceedings in parliament on this occasion. I would have hoped that we might have gone back to clause 1 either by the voluntary action of the Prime Minister or in acceptance of a motion which was made, because of the difficulties that are presented in dealing with this clause as it now stands.

I want to point out that it is not on this occasion alone that hon. members of this house have held very strong views about procedure of this nature. The fact that on

Northern Ontario Pipe Line Corporation

Mr. Fulton: Mr. Chairman, in order that we may test what the Prime Minister's offer means, and so that we may have an orderly debate on the bill in committee, I move:

That the consideration of this clause be postponed in order that the committee may revert to the consideration of clause 1.

The Deputy Chairman: It has been moved by Mr. Fulton:

That the consideration of this clause—

I interpolate that is clause 4.

—be postponed in order that the committee may revert to the consideration of clause 1.

Standing order 78(1) reads:

In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

Some hon. Members: Hear, hear.

The Deputy Chairman: Under my reading of standing order 78(1) it would not be possible to revert to clause 1 until we had once gone through the clauses in their proper order; that is, in their chronological order. On that basis—

Mr. Fulton: Before you make your ruling may I say just a word? Citation 691 of Beauchesne's third edition, at page 235, reads as follows:

The consideration of a clause may, on motion made, be postponed, but the motion may not be made if the clause has been amended. A postponed clause is, in the absence of an order to the contrary, considered after the other clauses of the bill have been disposed of and before new clauses, if any, are brought up.

My motion gives the committee the opportunity to make a motion to the contrary. The citation clearly shows it is contemplated that it may be ordered by the committee that they revert to a postponed clause before considering the remainder. Mr. Chairman, I hardly think that you would press strongly the argument that standing order 78(1) precludes us from going back since 78(1) has been relied upon by the government in the past as the basis for their contention that the clauses may be taken up out of their proper order.

Some hon. Members: No.

Mr. Fulton: Therefore, I think the government is hoist on its own petard in this case and the motion is in order on that basis and on the basis of citation 691, which clearly contemplates, if the committee so desires, it may revert to a postponed clause.

The Deputy Chairman: Despite the rather persuasive argument just introduced by the hon. member for Kamloops, I am of the opinion that so far we have not taken the clauses in their improper—that is, not in their chronological—order. Although I have no citation to quote, it is my reading of citation 691, which says:

A postponed clause is, in the absence of an order to the contrary, considered after the other clauses of the bill have been disposed of . . . .

I think that would imply of necessity that an order to the contrary would be made at the time the clause was postponed and therefore with regret I rule the motion of the hon. member for Kamloops out of order.

Mr. Fulton: I appeal your ruling.

The Deputy Chairman: Order. May I at this time make it clear to the committee that the reduction of the appeal to writing is entirely the responsibility of the chairman. However, for the information of the hon. member who has appealed I would advise him I propose to submit, after the preliminaries, that I ruled that the motion was out of order on the ground that it was not in order to revert to a postponed clause until all clauses of the bill had been called in their proper order.

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

Mr. Speaker, in committee of the whole, when it was considering clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Fulton moved that the consideration of this clause be postponed in order that the committee may revert to the consideration of clause 1. I ruled that the motion was out of order on the ground that it was not in order to revert to a postponed clause until all clauses of the bill had been called in their proper order.

Mr. Speaker put the question as follows:

Mr. Applewhaite of the committee of the whole reports that when in committee of the whole on clause 4 of Bill No. 298, Mr. Fulton moved that the consideration of clause 4 be postponed in order that the committee may revert to the consideration of clause 1. The chairman ruled that the motion was out of order on the ground that it was not in order to revert to postponed clauses until all clauses of the bill had been called in their proper order. Whereupon Mr. Fulton appealed to the house from the ruling of the chairman.

Those who are in favour of sustaining the ruling of the chairman please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those who are opposed to sustaining the ruling of the chairman 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.

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

In committee of the whole, when it was considering clause 4 of Bill No. 298, an act to establish the Northern Ontario Pipe Line Crown Corporation, Mr. Knowles raised a point of order to the effect that the committee was not properly on clause 4 of the bill on the ground that the house had had no opportunity to discuss clauses 1, 2 and 3. The chairman ruled that the committee was regularly on clause 4, since clause 3 was duly and regularly postponed by motion this day. Whereupon Mr. Knowles appealed to the house from the ruling of the Chair.

Mr. Speaker: Just before I put the question, I may say how pleased we all are to see the hon. member for Grenville-Dundas (Mr. Casselman) back with us. We have all missed him, and I want to assure him we are all very happy to see him back with us.

The question is the following one:

In committee of the whole Mr. Knowles raised a point of order to the effect that the committee was not properly on clause 4 of the bill on the ground that the house had had no opportunity to discuss clauses 1, 2 and 3. The chairman ruled that the committee was regularly on clause 4 since clause 3 was duly and regularly postponed by motion this day. Whereupon Mr. Knowles appealed to the house from the ruling of the chairman.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Anderson
Ashbourne
Batten
Beaudry
Benidickson
Bennett
Bertrand
Blackmore
Blanchette
Boisvert
Boivin
Bourget
Bourque
Brisson
Brown (Brantford)
Brown (Essex West)
Bruneau
Buchanan
Byrne
Cameron (High Park)
Campney
Cardin
Caron
Carrick
Carter
Cavers
Crestohl
Dechene
Decore
Deschatelets
Dickey
Dumas
Eyre
Fairey
Follwell
Forgie
Fraser (St. John's East)
Garland
Gauthier (Lake St. John)
Gauthier (Nickel Belt)
Gauthier (Portneuf)
Gingras
Gingues
Goode
Gour (Russell)
Gregg
Habel
Hahn
Hanna
Hansell
Hardie
Harris
Harrison
Healy
Hellyer
Henderson
Henry
Hollingworth
Holowach
Hosking
Houck
Howe (Port Arthur)
Huffman
Hunter
James
Johnston (Bow River)
Jutras
Kirk (Antigonish-Guysborough)
Kirk (Shelburne-Yarmouth-Clare)
Lafontaine
Langlois (Gaspe)
Lapointe
Lavigne
Leduc (Jacques Cartier-Lasalle)
Leduc (Verdun)
Lefrançois
Legare
Lesage
Lusby
MacDougall
MacEachen
MacKenzie
MacNaught
Macnaughton
McCann
McCubbin
McCulloch (Pictou)
McDonald
McIlraith
McIvor
McLeod
McMillan
McWilliam
Mang
Marler
Masse
Matheson
Michaud
Mitchell (Sudbury)
Monette
Murphy (Westmorland)
Nixon
Patterson
Pearson
Philpott
Pickersgill
Pinard
Pommer
Power (Quebec South)
Power (St. John's West)
Proudfoot
Prudham
Purdy
Quelch
Reinke
Richard (St. Maurice-Lafleche)
Richardson
Roberge
Robertson
Robichaud
Robinson (Simcoe East)
Ross
St. Laurent (Quebec East)
Schneider
Shipley, Mrs.
Simmons
Sinclair
Smith (Battle River-Camrose)
Smith (York North)
Stick
Stuart (Charlotte)
Thatcher
Thomas
Tucker
Valois
Viau
Weir
Weselak
White (Waterloo South)
Winters
Wylie—141.

NAYS

Messrs:

Aitken, Miss
Balcer
Barnett
Blair
Brooks
Bryce
Cameron (Nanaimo)
Casselman
Castleden
Charlton
Churchill
Coldwell
Diefenbaker
Dinsdale
Drew
Ellis
Fairclough, Mrs.
Fleming
Fulton
Gagnon
Green
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Herridge
Hodgson
Howe (Wellington-Huron)
Johnson (Kindersley)
Jones
Knight
Knowles
Lennard
MacInnis
MacLean
McBain
McCullough (Moose Mountain)
McGregor
Michener
Mitchell (London)
Monteith
Murphy (Lambton West)
Nesbitt
Nicholson
Nowlan
Pallett
Pearkes
Robinson (Bruce)
Rowe
Stanton
Starr
Stewart (Winnipeg North)
Trainor
Tustin
White (Middlesex East)
Winch
Zaplitny—57.

And the house having resumed in committee:

The Deputy Chairman: Order. The Leader of the Opposition.

Northern Ontario Pipe Line Corporation

Mr. Knowles: May I ask the Leader of the Opposition a question? I trust he has not forgotten that there is before the Chair a point of order which I raised?

Mr. Drew: Mr. Chairman, I concede immediately that when the hon. member for Vancouver-Kingsway was speaking I had assumed that the point of order of the hon. member for Winnipeg North Centre had been brushed aside and that we were debating on the measure. If that is not so, I immediately give way to the hon. member for Winnipeg North Centre to proceed with his point of order, but I admit quite frankly that I had assumed that when the hon. member for Vancouver-Kingsway made his eloquent, impassioned and great contribution to this debate he was in fact speaking in the debate on the bill itself. I give way to the hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, I am grateful to the Leader of the Opposition for his gesture. It is true that when the hon. member for Vancouver-Kingsway concluded his remarks I did not rise immediately. I waited a few seconds because I thought that in response to that appeal the Prime Minister would suggest that we revert to clause 1. When, in the speech he made in reply to the hon. member for Vancouver-Kingsway, he indicated his unwillingness to do so, I realized that it left me no alternative but to press my point of order that we are not properly on clause 4.

In pressing that point of order may I point out once again that what has been offered to us today by the Prime Minister, and I say this after giving it a great deal of thought, is literally nothing.

Mr. Diefenbaker: It is a sop.

Mr. Knowles: He tells us that we are to be allowed all this week to debate the bill, and I think these were his words—if I am incorrect he can correct me—"on its remaining stages". I point out, Mr. Chairman, that it is fairly obvious that the committee would take at least today and tomorrow from the way we have been going to get as far as clause 7. That means that if the Prime Minister had not made that offer today it would be some time tomorrow before the government could give notice of closure at the committee stage which would mean that closure could not be brought into effect with respect to the committee stage until Wednesday night.

That being the case, the earliest time that notice of closure could be given with respect to third reading would be Thursday and the earliest it could come into effect would be Friday night or Saturday morning at one o'clock.

The Deputy Chairman: I hesitate to interrupt the hon. member, but I think I should point out to him that it was he who reminded the Leader of the Opposition that we were supposed to be discussing a point of order.

Mr. Knowles: The point is well taken, Mr. Chairman. I got carried away with the reply made by the Leader of the Opposition to the Prime Minister. I think I have made my point that we have not been given a thing this afternoon by the Prime Minister. Therefore we have to stand by strict adherence to the rules and I insist that you make a ruling whether or not we are properly on clause 4. It is my submission that because we have not discussed clauses 1, 2 or 3 you should rule that we are not properly on clause 4 but that we should revert to clause 1.

The Deputy Chairman: It is suggested by the hon. member for Winnipeg North Centre that the committee is not properly on clause 4, the preceding clauses not having been properly considered. I think that is a fair summary of his position.

Mr. Knowles: It is the same contention that the other Mr. Knowles made in 1913.

The Deputy Chairman: The decisions made by this committee and confirmed by the house by vote on the 24th of May, as found at page 617 of *Votes and Proceedings*, and on the 25th of May, as found at page 634 of *Votes and Proceedings*, are the same proposition in reverse, namely, that we could not proceed away from these clauses because they had not been properly considered. The hon. member for Winnipeg North Centre says that we are not properly on the next clause because they were not properly considered. I rule that the committee is properly on clause 4, clauses 1, 2 and 3 having been called and considered within the terms of the standing order.

Mr. Knowles: Then, Mr. Chairman, for the reasons I have already stated and because the Prime Minister refuses to let the committee revert to clause 1, I appeal your ruling.

The Deputy Chairman: The appeal will be put in writing, and I trust that the hon. member for Winnipeg North Centre, who has raised this question, will be satisfied if the report is in exactly the same terms as in the incident on which he based his point of order.

Mr. Knowles: Yes, Mr. Chairman, you can take it almost exactly from column 9377 of *Hansard* for May 8, 1913.

out that the consideration of a bill in committee is the very core of parliamentary democracy, the very core of our whole parliamentary procedure in relation to bills that are brought before this house. There in the committee stage there is an opportunity for members to examine the words of the bill; there in the committee stage there is an opportunity for members opposite, as well as on the government side, to make suggestions as to the way in which the bill can be improved. On other and happier occasions when this government recognized parliamentary procedure, there have been occasions when bills have been greatly improved by the acceptance on the part of the government of suggestions that have come from members of the opposition. Who knows that in this case, in the consideration of clause 1, of clause 2, of clause 3, there might not have been changes made which would have a very considerable bearing on the whole application of this act and a better understanding of what the problem is that is now before us?

When was this arbitrary suppression of free discussion first planned? Do not let the Prime Minister tell us that it was parliament that decided this. It was his followers, who obeyed the crack of the whip. That was the way that the right of discussion was denied.

Mr. Fleming: Shame on them.

Mr. Drew: That was the reason why there has been all this discussion taking place on points of order. That is the reason why there has been in this house a series of discussions which all members doubtless regret in their impact on the orderly business of this house. But let one thing be said to those who speak about procedure and privilege: that the government bears 100 per cent of the responsibility for any disorder that has occurred in this house. For any diminution of respect for the Chair or for the position of other officers of this house, the government bears full responsibility.

An hon. Member: Carried.

Mr. Drew: I hear the comment "Carried" from the other side. This is not carried. We have now our first democratic right in this present hour to discuss in the committee stage this bill which is before us, and then we hear shouts of "Carried" from those who have given their unthinking subservience to this government, which has sought to throttle parliament. Even the apparent concession made by the Prime Minister this afternoon is no real concession at all, because all it says is, "We now have come to the conclusion that we should permit some appearance of debate, and therefore, for the present week, you may go ahead and discuss these clauses." That gives us no assurance that we go back to our real discussion of the earlier and operative clauses which bring this corporation into existence and define its names and purposes.

This procedure that we have seen in the past few days is something that it has not been possible to discuss in the way we can now discuss it, in a debate. We have seen here a barefaced attempt to render parliament ineffective, and what single explanation has been given for that? The only explanation offered was the explanation given by the Minister of Finance when he referred to a statement that had been made on an earlier occasion that there was going to be vigorous opposition to this bill. Therefore this government repudiates all the ordinary traditions of debate, all the ordinary procedure upheld by Liberals of the past with whose names no member of this government has any right to be associated. Do we hear from them the suggestion that there has been delay, that there has been an assurance that there would be opposition to this bill and, therefore, there must be no debate? That is the only explanation.

If we were to accept that explanation, it would be the end of the existence of an opposition in anything but name. We are standing here today, not speaking alone on this bobtailed debate with a truncated consideration of the bill. We are not here speaking on clause 4 or the succeeding clauses alone. We are speaking here for the right of the existence of an opposition in this House of Commons. Concede for one moment the validity of the argument put forward by the Minister of Finance in this discussion which has already taken place; concede for a moment the validity of the statement put forward by the Prime Minister today; and you will concede that the opposition has no place in this House of Commons. It is nothing less than that. This can only be described in terms that I thought would never be used here in Canada to describe the system under which we would carry on our public affairs. Guy Fawkes was a mere piker compared with the Prime Minister.

Mr. Diefenbaker: He worked from outside then.

Mr. Drew: Guy Fawkes at least went into the cellar when he tried to destroy parliament. We had to wait for this government to try to destroy parliament in the broad light of day in the way it has in these past few days.

deal. When I made a statement at the opening of the house I did not attempt to say what might be debated according to my will or what might not be debated. I was conscious that two clauses had been postponed by decision, not my decision but of the house—

Some hon. Members: Oh, oh.

Mr. St. Laurent (Quebec East): —And that there was a third clause in connection with which there was a motion of postponement that was before the chair for decision; but that as soon as that motion was disposed of I hoped hon. gentlemen would attempt to discuss the bill instead of discussing questions of procedure.

Mr. Rowe: How can you proceed without procedure?

Mr. Drew: Mr. Chairman, what has happened today has only served to emphasize the seriousness of the situation with which this house is confronted. The words which the Prime Minister has just uttered have not in any way explained what has taken place, nor have they in any way minimized the menace of the proposal placed before us today. The Prime Minister says that he did not attempt to say what might be done, that it was not his decision but the decision of the house.

I assume that the Prime Minister knew what the Minister of Trade and Commerce was going to do. I assume that the Prime Minister knew what the Minister of Finance was going to do. I assume that the Prime Minister knew that the most vicious type of closure was going to be introduced when this bill came into committee stage. What he has just said now has only aggravated the situation which has just been discussed in such eloquent and moving terms by the member who has just taken his seat.

The Prime Minister rose on a question of privilege when the house opened today. He was forced to do that because the closure imposed by his colleague prevented him from speaking, just as it has prevented all the rest of us from speaking until this time. When we hear that he would like to hear us talking in debate instead of on questions of privilege, who does he think, and who do the Liberals who applaud that statement think, forced these discussions on privilege? We have been denied one word of debate on this bill in the committee stage until right now. We have been denied that right by the government, which I assume the Prime Minister still claims to lead. Unless he repudiates publicly his leadership of that government he as Prime Minister must accept responsibility for all the dangerous things which have happened in this past week.

When the Prime Minister rose on a question of privilege today he said:

> The procedure followed by the government has been represented as an effort to prevent debate on the pipe line bill, and I want to state emphatically that as soon as the motion before the committee is disposed of further debate on the bill can continue and there will be all this week for it to be continued on its remaining stages.

What further debate on the bill? There has been no debate until now. There has been no debate on this bill in the committee stage; none whatever, not one word.

Some hon. Members: Oh, oh.

Mr. Drew: The derisive shouts of the Liberal members opposite indicate the extent to which they have apparently deluded themselves as to what has been taking place. Not one word have we been allowed. The Minister of Trade and Commerce, rising at the calling of the bill and rising twice after at least one other member who already standing, was recognized and, after a few words that meant little, then moved the adjournment of the consideration of that section.

Where do we find ourselves at this time? We find ourselves in the position where we are called upon to discuss clause 4 without clauses 1, 2 or 3 having been discussed. Let us see what the first subclause of clause 4 says:

> The corporation is a body corporate having capacity to contract and to sue and be sued in the name of the corporation.

What corporation, Mr. Prime Minister? You cannot tell us. You cannot tell us because you have no right to say it is printed in the bill which is in the hands of the members and that is what it is going to be. You must at least give sufficient lip service to the procedure of this house to admit that the definition of the corporation and the name of the corporation and the other details could be changed if there were consideration of the earlier clauses. This corporation has not yet been defined. We are asked to debate on a clause which refers to an undefined corporation. That merely indicates what a vicious and improper procedure has been imposed upon us by this statement for which the Prime Minister claims some consideration.

Do not let anyone say that this has not been foreclosure. This has been foreclosure of a kind that goes to the very root of our whole parliamentary system. Already there have been placed on record, in the discussions that have taken place under the rules in an attempt to obtain proper parliamentary consideration of this subject, the words of great leaders of the past who have pointed

Mr. MacInnis: Mr. Chairman, I am in a somewhat similar position to that of the hon. member for Vancouver East. This is the first word that I have uttered in this debate, and I would not have risen now if it had not been for what has happened since this house opened today. At the opening of the house the Prime Minister made a statement that after we had disposed of the motion before us, then we could proceed with debating the bill. Now, in view of the fact that the decision has been taken that the postponing of the sections of the bill already postponed was out of order unless we go back to section 1, I declare that the statement made by the Prime Minister is an insult to this house. It is intolerable that free men should come here and be told what they may or may not discuss on the word of the Prime Minister or anyone else. Mr. Chairman, we have got into a sort of tailspin in this matter. I am quite sure that every member of this house who has any responsibility at all, or any sense of responsibility, feels that something should be done; that we should get back to the ordinary dignity and decorum of this house. I do not know, sir, how it is to be done but it cannot be done by putting our stamp of approval on wrongs already done.

I think the initial issue in this debate is the question of closure. May I tell hon. members, government members, official opposition members, C.C.F. members and Social Credit members, that I favour closure. The government has a perfect right—not only a right but a duty—to invoke closure at the right time; that is, when it has been demonstrated that the business of the house cannot be carried on in any other way but by closure. I said I am in favour of closure. I am in favour of closure, old style. I am not in favour of closure, new style. I do not believe that the members of this house, I do not believe that the members of the government understand, indeed I cannot believe that the Prime Minister understands what has happened. If he had understood it, it is my humble opinion that he is too much of a democrat, too much of a gentleman, too much of a believer in parliamentary institutions to continue this any further.

What has happened, and this was the initial mistake that was made, was that when the Minister of Trade and Commerce introduced the resolution preceding this bill he also made a motion that closure would be applied. Closure would be applied, why? Because the debate had been obstructed? No, closure was to be applied because the government had set a time limit to the debate and because it was anticipated that there would be obstruction. We do not carry on business in this house on the basis of anticipation. I have been here for over a quarter of a century and I have never yet seen a Speaker who would make a ruling on an anticipated situation.

However, rulings and decisions have been made and the decisions made today will be the precedents for tomorrow. I suggest to my hon. friends on the Liberal side of the house that they read the speech which their former leader, the late W. L. Mackenzie King, made when he was leader of the opposition in connection with a motion for closure moved in 1932. In all of the illustrations he gave to show the effect the action of the Prime Minister and government was likely to have in the future, he referred to things that might happen should a socialist government take office. The things which the late Mackenzie King said were going to happen have happened, and they have happened in a worse form than Mr. Bennett ever thought or conceived of. They have all happened under a Liberal government.

What has happened is that from now on any time the government introduces a resolution preceding a bill and there is some talk that the opposition is opposed to it—that is why the opposition is here; it is their duty to obstruct from time to time; that is their right. I have seen my friends over here put on a filibuster.

Mr. Blackmore: On a high principle.

Mr. MacInnis: I think we all remember when the premier of British Columbia wanted to give away the resources of British Columbia and the Minister of Trade and Commerce succeeded in stopping it. That is their right, but from now on we will have no right because whoever introduces a resolution may also introduce a notice of closure. Freedom of debate has died in this house during the last two or three weeks.

I do not know what can be done, but I do know that you cannot say that these things have not happened. I would suggest that we try to find a way out of this situation. An opposition can be irresponsible because they are not in positions of responsibility. But in this case the government has been irresponsible and it is in a position of responsibility. I submit that the government and opposition leaders should get together to see if we cannot wipe the slate clean of what has happened and get back to sanity, get back again to parliamentary procedure, get back to rules of order that cannot be changed from day to day according to the wishes of those sitting on the other side of the house.

Mr. St. Laurent (Quebec East): Mr. Chairman, there is just one point in the hon. gentleman's speech with which I wish to

refer the matter to His Honour the Speaker for direction and advice; but, of course, if you refuse to do that, notwithstanding that there is precedent for it, then I have no alternative but to appeal your ruling to the house. I request you to give consideration to the question of whether you should not refer it to His Honour the Speaker for consideration and direction.

The Deputy Chairman: I regret, because I would very much like to have the position clarified for my own personal satisfaction, that there is nothing that I can refer to the house at the moment. The question as to whether or not the motion made by Mr. Howe was debatable was appealed to the house and decided on two or three occasions. Therefore, I am bound by that decision. As Chairman of this committee I have not the right to ask the house immediately to reverse itself. The decision will be found on page 4285 of *Hansard*. Therefore, the only matter that is before the committee, as I understand it, is that the hon. member for Kamloops is raising the question as to whether or not the vote of the committee was properly taken. I put the question. Members on both sides of the house stood and were recorded. As far as I am concerned I regret that I must close the incident on clause 3 for the moment. Clause 4 is before the committee.

Mr. Knowles: Mr. Chairman, I rise on a point of order. My point of order is that you, sir, as chairman, should not call clause 4 at this time. I base my point of order on a similar incident that occurred in this house on May 8, 1913. On that occasion the naval aid bill was before the house and in column 9372 of *Hansard* for May 8, 1913, appear the words:

The Chairman: Clause 4.

It may come as a bit of a surprise to some hon. members if I tell them that at that point a member by the name of Mr. Knowles rose and contended that clause 4 had been improperly called. The Mr. Knowles of that day gave as his reasons why it was improper for the chair to call clause 4 the fact that clauses 2 and 3 had not been discussed. He admitted that it would have been possible to call clause 2 because there had been some discussion on clause 1. He argued his point I think very effectively as recorded on several pages of *Hansard*. He was interrupted in due course by Mr. Arthur Meighen, the member for Portage la Prairie, and as a result of the interruption the chairman of the day cut off that Mr. Knowles from any further discussion on the point of order, and Mr. Knowles of that day objected to the gag being put in his mouth and as a result he appealed the chairman's ruling. I point out, Mr. Chairman, that

when the Mr. Knowles of 1913, who was a Liberal member for Moose Jaw, argued as he did and appealed the chairman's ruling he was supported as being correct in his position by every Liberal member in the house. Mr. Chairman, I hope that the Liberal members of 1956 will support the Mr. Knowles of 1956 in making precisely the same point, namely that it is improper for you to call clause 4 when we have not had a discussion on clauses 1, 2 and 3. I raise this as a point of order.

The Deputy Chairman: Will the hon. member assist me by giving me the decision of the house on that occasion?

Mr. Knowles: The decision of the house, with the Conservatives in the majority, was against Mr. Knowles.

Some hon. Members: Oh, oh.

Mr. Knowles: My hon. friends, the Liberals in this house, are laughing at the decision; they are laughing boisterously at the Liberals of 1913; laughing indeed at the vote cast on that occasion by their revered former leader, Sir Wilfrid Laurier. I suggest that Sir Wilfrid Laurier and Mr. W. E. Knowles of Moose Jaw, Mr. Lapointe and the other Liberals who voted on that occasion were correct in their insistence that it was improper to discuss clause 4 when clauses 2 and 3 had not been discussed. You, sir, sought to ascertain what the decision of the house was on that occasion. You, sir, know that across the years there are many instances when decisions have been reversed in succeeding parliaments and I submit that the Liberals were right in supporting Mr. Knowles in 1913 and I call on the Liberals to be consistent and take the same position when Mr. Knowles raises the same point of order again in 1956.

Mr. Harris: Mr. Chairman, on the point of order, may I point out that it is the very same point of order that was raised on the preceding clauses though the hon. member has now carefully avoided citing any particular rule as he did on previous occasions. So far as our laughing is concerned, I shall begin laughing soon if we do not get down to debating the bill.

Some hon. Members: Oh, oh.

Mr. Knowles: Mr. Chairman, may I tell the Minister of Finance that the only reason I did not read the rule that I read before was that it is already on the pages of *Hansard;* but I might point out that Mr. Knowles in 1913 put on the record as part of his argument the very same rule which is now 78 (1), which Mr. Knowles in 1956 has been doing his best to get this house to adhere to strictly.

Mr. Fulton: On a point of order, Mr. Chairman; I challenge the vote and I challenge the right to declare the motion carried on the ground that before you put the motion I rose to my feet to move an amendment. You ruled the amendment out of order and I raised a point of order, again before you put the question. You refused to hear me. In my submission, the question should not have been put until the amendment was considered and disposed of. You refused that right, and I therefore challenge your right to declare this motion carried and I request a ruling on the point of order.

Mr. Winch: If I could ever get the opportunity, Mr. Chairman, I should like to rise on a point of privilege. My question of privilege, sir, and no one can say I have taken up the time of this house, is this. On the last vote I rose immediately you put the question, and I was on my feet continuously until the vote was taken. It was not my desire to rise to a point of order, or a question of privilege. It was my desire to be recognized and to speak on the motion before this committee. I was on my feet, and I know that was recognized by the other side, continuously until the motion was put, but I was not recognized or granted the right to speak to the motion before the house. I say, sir, that is a gag and I am not going to sit here and take it. I raise it as a question of privilege, being denied the right to speak to the motion.

The Deputy Chairman: I have heard both the point of order and the question of privilege raised by the hon. member for Kamloops and the hon. member for Vancouver East. They are both exactly the same as the point which was decided two or three times in the debate on this particular bill, that is, they wish to speak or to amend a motion that further consideration of a clause be postponed. It has been ruled, appealed and confirmed on at least two occasions that these motions are neither debatable nor amendable. I, therefore, found myself in the position, as soon as I took the chair, that a motion be put to the house. As to whether or not it was in order, that had been appealed and the chairman's ruling had been upheld. I therefore was in the position, as soon as I took my seat, that the first and only business I had was to put that motion and that, in accordance with my duty, I did. Clause 4?

Mr. Fulton: I appeal your ruling and I wish to appeal your ruling not to the house but I wish you, sir, to refer this matter to Mr. Speaker for his advice, consideration and recommendation in accordance with previously established practice in this committee.

In connection with the point which I asked you to state for His Honour's consideration I refer you to standing order 44 which says:

> When a question is under debate no motion 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.

What we had under consideration was a motion to postpone consideration. I wished to move as an amendment or superseding order, had I had a moment to make myself clear, that the purpose of the postponement was in order that we might revert to consideration of clause 1. Whether you choose to regard that as a superseding motion or an amendment is immaterial, but I maintain it is in order, if not under one heading, then under the other. You having refused to entertain the motion, I appeal from your right to declare the minister's motion carried and I appeal your refusal and I wish you to refer it to the Speaker for his consideration and advice.

The Deputy Chairman: If I understand the point raised by the hon. member for Kamloops, he wants to appeal the decision of the committee. I am unable to learn of any procedure, whereby I can submit that decision to the house until such time as the committee rises and reports. He has also requested a reference as to certain matters to the Speaker of the house. I take it he means a personal reference to Mr. Speaker, as an individual. I have not the power, as chairman of this committee, to do that. I decide points of order, subject to an appeal to the house. I have not just decided a point of order in connection with the last point raised. I have announced the decision of a vote taken by this committee. Clause 4 is now before the committee.

Mr. Fulton: I rise on a point of order. You cannot dispose of this matter in that manner. I rose on a point of order, and challenged your right to put the vote. I challenged your right to put the question at the point when you did, and I asked you to rule upon the point. As you have ruled apparently that you had the right to put the question, I have challenged your ruling on a point of order.

What I have challenged is your right to put the question when you did and to declare the result on a question improperly placed before the committee at that time. I raise that as a point of order. I understand you have ruled upon it. I have said that I appeal your ruling. I have requested you first to

Northern Ontario Pipe Line Corporation

Mr. St. Laurent (Quebec East): Mr. Chairman, if I may be permitted to say a word, just in order to avoid any misinterpretation of what I said, may I point out that I said "just as soon as the motion now before the committee has been disposed of".

Mr. Knowles: Mr. Chairman, I continue on my point of privilege.

Mr. McIlraith: No. You were heard once.

Mr. Knowles: My question of privilege is this. The offer made by the Prime Minister carries with it the implication that parliament is to have freedom to discuss this legislation. In support of my question of privilege I quote just a few words uttered on April 16, 1913, by the former member for Quebec East, then the member for Kamouraska, namely Ernest Lapointe. As reported in column 7872 of *Hansard* of April 16, 1913, he said this:

> Freedom of speech will be reserved exclusively to the men in power, and subject at all times to be denied to others. Freedom which is granted only by way of sufferance is really not freedom. We will then have a parody and a sham of the parliamentary system.

My question of privilege is this. If we are to be free to discuss matters only when the Prime Minister says so,—

The Deputy Chairman: Order.

Mr. Knowles: —that is not freedom to discuss at all.

The Deputy Chairman: I have heard the hon. member and, as I suspected, I do not consider the question he raised was a question of privilege but one as to the advisability or not of passing the motion. I repeat that whatever my personal views may be it is my considered opinion that at this stage of the committee it is my duty to put the question on the motion moved by Mr. Howe (Port Arthur).

Mr. Fulton: Mr. Chairman, before you put the motion, I have a motion.

The Deputy Chairman: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Deputy Chairman: Those against the motion please say nay.

Some hon. Members: Nay.

Mr. Fulton: I ask to be given the opportunity to put my motion before the motion is put.

The Deputy Chairman: In my opinion the yeas have it.

Mr. Fulton: Mr. Chairman, I am on my feet putting a motion and I was on my feet

[Mr. Knowles.]

to put the motion before you put the question. The motion I make is that the motion of the minister be amended by adding thereto the following words:

> In order that the committee may revert to the consideration of clause 1.

The Deputy Chairman: I have heard the hon. member for Kamloops. I would point out to him that it has been decided two or three times in this debate that this is a superseding or procedural motion, not debatable and therefore not amendable.

Mr. Fulton: Mr. Chairman, I direct your attention—

The Deputy Chairman: Those in favour of the motion will please rise.

Mr. Fulton: I direct your attention to the provisions of standing order 44 which clearly provide for an amendment to this motion. Mr. Chairman, I direct your attention to the provisions of the standing order. Mr. Chairman, what kind of farce are you trying to make out of this House of Commons? Standing order 44—

Mr. McCann: Whom are you talking to? Talk to the clock.

The Deputy Chairman: First row please be seated.

During the taking of the vote:

Mr. Fulton: Mr. Chairman, I am on my feet to raise a point of order which I raised before you put the question.

The Deputy Chairman: Will those opposed to the motion please rise?

Mr. Fulton: Mr. Chairman, I am on my feet in the course of raising a point of order which I raised before you put the question.

The Deputy Chairman: May I say this to the committee, although I am sure they know it. Even though points of privilege or points of order are always in order, there are certain times that cannot be included in the word "always", such as a taking of the division,—

Mr. Fulton: I raised this point before you put the question.

The Deputy Chairman: —whether the chairman is in the chair or the Speaker is in the chair. Will those opposed to the motion please rise?

After the taking of the vote:

Motion (Mr. Howe, Port Arthur) agreed to: Yeas, 124; nays, 53.

The Deputy Chairman: I declare the motion carried.

Mr. Pickersgill: Mr. Speaker, it is a time-honoured rule of this house that government policy is not announced in reply to questions on orders of the day.

NATIONAL DEFENCE

ALLEGED USE OF R.C.A.F. PLANE BY FORMER MINISTER

On the orders of the day:

Mr. C. W. Hodgson (Victoria, Ont.): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Was it in order for the former minister of transport to fly an R.C.A.F. plane into my riding to a general meeting in the last election?

Hon. R. O. Campney (Minister of National Defence): Mr. Speaker, I am afraid that I have all I can do to look after my own actions.

PETAWAWA—INQUIRY AS TO CONSTRUCTION OF ADDITIONAL ACCOMMODATION

On the orders of the day:

Hon. Robert H. Winters (Minister of Public Works): Mr. Speaker, on Friday, May 25, the hon. member for Renfrew North (Mr. Forgie) asked me a question about further housing developments at Petawawa.

The situation is that the Department of National Defence requested Central Mortgage and Housing Corporation to plan, design and build an additional 350 housing units. The proposed project is divided into two phases. The planning of the first phase involving approximately 175 housing units is advanced to the point where we expect to call tenders for ground services during the month of June. Tenders for the houses will be called shortly following this. The planning for the balance of the houses is currently under way.

NORTHERN ONTARIO PIPE LINE CORPORATION

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

The house resumed, from Friday, May 25, consideration in committee of Bill No. 298, to establish the Northern Ontario Pipe Line Crown Corporation—Mr. Howe (Port Arthur) —Mr. Applewhaite in the chair.

The Deputy Chairman: The position is that clause 3 was called and it was moved by Mr. Howe (Port Arthur) that further consideration of this clause be postponed. The question is on the motion of Mr. Howe (Port Arthur).

Northern Ontario Pipe Line Corporation

On clause 3—*Establishment and constitution.*

Mr. Knowles: I rise on a question of privilege, Mr. Chairman—

Mr. Diefenbaker: Mr. Chairman, may I rise on a question of order arising out of the discussion the other day?

The Deputy Chairman: I might inform the hon. member for Prince Albert and others who are speaking, that the question as to whether this motion is or is not in order was referred to the house and an appeal from the chairman's ruling was taken. A vote was held in the house and the vote was that the motion was not out of order. In other words, the chairman's ruling that the motion was not out of order was confirmed by the house. Therefore, in so far as this particular motion is concerned, I regret that I have no other alternative at this moment than to put the question. As to whether or not this particular motion is in order is a matter that was decided at the last sitting.

Mr. Knowles: Mr. Chairman, I rise on a question of privilege under standing order 17.

The Deputy Chairman: May I just point this out. I realize the difficulties that we are in. A question of general privilege could, of course, be raised only with Mr. Speaker in the chair. A question of privilege arising out of debate held in this committee could, I am afraid, hardly have arisen this afternoon because there has been no debate. I am not endeavouring to make it impossible for members of the opposition to be heard. I am stating that it is my opinion that it is my duty to put this motion first. Then if there is any question of privilege, of course, one will have to hear it.

Mr. Knowles: Mr. Chairman, I can put my question of privilege very briefly and I leave it to Your Honour to decide whether or not it is a proper question of privilege to be raised under standing order 17 which reads as follows:

17. Whenever any matter of privilege arises, it shall be taken into consideration immediately.

My point of privilege is this. Since the last time we were in committee of the whole on this motion which you are now seeking to put, Mr. Chairman, a statement has been made by the Prime Minister to the effect that the house is to be free this week to discuss this legislation. In view of that statement my question of privilege is this. Should not the government withdraw the motion to postpone consideration of clause 3 which was made by the Minister of Trade and Commerce and let us revert to clause 1?

yet to be able to give the house some information on the question I asked him last Thursday regarding the importation of 10,000 cases of Polish eggs into Canada?

Right Hon. C. D. Howe (Minister of Trade and Commerce): Yes, Mr. Speaker. Throughout many years certain eggs have been exported from Canada and certain eggs have been imported into Canada. It is a two-way trade. In 1951 195,000 cases were exported from Canada and 95,000 cases were imported into Canada. In 1953 232,000 cases were exported and 4,000 cases were imported. In the year 1954 191,000 cases were exported and 4,000 cases were imported. In the year 1955 126,000 cases were exported and 21,000 cases were imported.

FINANCE

SUGGESTED RELIEF TO TAXPAYERS THIS YEAR

On the orders of the day:

Mr. John B. Hamilton (York West): I should like to direct a question to the Prime Minister. As the Minister of Finance has a reported surplus in the first month of the fiscal year three times greater than last year, would the Prime Minister consider affording some relief to the taxpayers this year instead of waiting for an election year to do so?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I think those who have made the payments that figure in the increase reported for the first month of this fiscal year have discharged what would otherwise have been an indebtedness they would have had to discharge at other seasons in the year and that the surplus cannot be an indication of what the revenue will be in the course of the year.

FISHERIES

ESTABLISHMENT OF FLOOR PRICE ON DOGFISH LIVERS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to direct a question to the Minister of Fisheries. Can the minister tell the house whether an agreement has yet been reached between the fishermen's union and the fishing companies in British Columbia on the price to be paid for dogfish?

Hon. James Sinclair (Minister of Fisheries): They are still in the process of negotiation.

[Mr. Nesbitt.]

LABOUR CONDITIONS

MAGOG, QUEBEC—REPORTED LAY-OFFS AT FRASER-BRACE CO.

On the orders of the day:

Mrs. Ellen L. Fairclough (Hamilton West): I should like to direct a question to the Minister of Labour. Has the attention of the minister been drawn to the plight of some 78 men at Magog employed by the Fraser-Brace Company who have been thrown out of work by reason of a strike in another plant with which they have no contractual connection, and will he see that their applications for unemployment insurance are processed as quickly as possible?

Hon. Milton F. Gregg (Minister of Labour): My attention was drawn to the matter this morning and I have asked the commission to give me a report on it.

CITIZENSHIP AND IMMIGRATION

INDIAN AFFAIRS—INQUIRY AS TO REMOVAL OF LIQUOR RESTRICTIONS

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): I should like to direct a question to the Minister of Citizenship and Immigration. Has the minister's attention been drawn to a report in the Winnipeg *Tribune* of May 24 to the effect that the government contemplates an amendment to the Indian Act which will have the effect of allowing Indians equality of opportunity for the consumption of alcoholic beverages? If so, does this foreshadow the establishment of beer parlours and liquor stores on Indian reservations?

Hon. J. W. Pickersgill (Minister of Citizenship and Immigration): The Winnipeg *Tribune* happens to be a newspaper I never read if I can possibly avoid it, for reasons which I am sure are obvious to all hon. members.

[*Later:*]

On the orders of the day:

Mr. J. W. Murphy (Lambton West): Mr. Speaker, may I ask the Minister of Citizenship and Immigration a question in view of his last answer? I wonder whether he has given up reading the Winnipeg *Free Press* and the Toronto *Star*?

Mr. Pickersgill: The answer, Mr. Speaker, is no.

Mr. Trainor: Mr. Speaker, may I ask for a comment on the answer given by the minister? I am not particularly interested in his reading habits, but would he kindly answer my question?

a way that I can perceive that there may be doubt as to whether I am performing my duty in an impartial manner.

No doubt something will have to be done. It was my intention, after careful consideration, to let matters go for the time being, because the climate is not such as that which can study the position of the Speaker at the moment. Some hon. members have interjected remarks which I confess I did not hear at the moment. Of those I have heard, I immediately asked clarification. But there were remarks that I did not hear; they are on the record, and it may be a little late now to ask hon. members to do anything about them.

My request to the house—and this is a request I am going to address to all hon. members—is that at the first opportunity the question of my leadership as far as the Speakership is concerned—as a matter of fact, you can go throughout my term of office—be placed before the committee on privileges and elections, and that committee be composed exclusively of members of the opposition—and I would suggest that the hon. member for Winnipeg North Centre be made the chairman—

Mr. Knowles: That would deny me the right to speak.

Mr. Speaker: —and that before that committee be called gentlemen like Mr. MacGregor Dawson who have written books on procedure, and Dr. Beauchesne, who was a clerk of this house for over 30 years, and that it go thoroughly into my own dealings with the rulings I have had to make in the past few weeks, and I myself shall abide by the report of that committee.

Mr. Fulton: I would suggest that the government put the bill before the committee.

TRANSPORT

QUEBEC PROVINCIAL ELECTION—USE OF PRIVATE RAILWAY CARS

On the orders of the day:

Mr. W. M. Hamilton (Notre Dame de Grace): I have a question for the Minister of Transport. In view of the fact that the minister travelled in government private car No. 104 on train 504 to Montreal on May 14 and immediately following his arrival attended as a principal speaker a provincial Liberal party banquet and later returned to Ottawa that evening on the same car, will he explain his statement of Friday that he did not know that government private railway cars were being used to carry members of the government to Quebec to participate in the provincial election campaign?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, the hon. gentleman well knew, of course, that I went to Montreal on May 14 on that particular train because I had the opportunity of conveying him from the House of Commons to the station.

Mr. Rowe: Not to Montreal, though.

Mr. Marler: But, Mr. Speaker, I should like to say that although my attendance at a Liberal meeting that evening was one of the purposes of my going to Montreal I did not return on my private car that evening but stayed over until the following day to attend to departmental matters. I was unable to return on the car that night and had not planned to do so. I hope that will satisfy the hon. gentleman. I assure him that the next time I am going to Montreal in my private car I shall think of him and perhaps I might ask him to go with me.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, in view of the minister's statement that he stayed in Montreal to do business the following day would he explain how it was that he voted in the house the next afternoon?

Mr. Marler: Mr. Speaker, I am flattered by the interest of the hon. gentleman opposite. I may say it is not reciprocated. I do not wish to create a precedent with regard to saying what my movements are outside of this house but I should like to say that I returned on the "Canadian", leaving Montreal at 2.05 p.m. and arriving here shortly after four o'clock. I at once came to the House of Commons and I voted soon after.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER INTERIM SUPPLY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Is the minister in a position yet to answer my question of Friday respecting when he is going to ask the house for interim supply so he will have some money in June? In the meantime, can he assure civil servants that the present interim supply he has will make it possible for him to pay salaries on the 31st of May?

Hon. W. E. Harris (Minister of Finance): I am not in a position to answer the question, but I will make inquiries.

EGGS

INQUIRY AS TO REPORTED IMPORTS FROM POLAND

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Minister of Trade and Commerce. Is the minister in a position

Minister of Trade and Commerce. Has his notice been directed to a statement by Mr. Marshall A. Johnson of Vancouver, representative of the East West Export Import Company, who is in Peking, China, representing 14 Canadian firms with a view to opening up trade in China? What is the attitude of the government toward this matter?

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have already referred to the East West trading company in this house. Perhaps my hon. friend was not present. I have said that it has been a channel through which efforts have been made to break down the NATO list of strategic materials. The firm has been investigated by a number of men who have been invited to visit China under the auspices of the firm, and I may say that the reports are not good.

The position of China, as regards purchasing goods from abroad, has been examined carefully by our officers, who have questioned men who have been in China. The chairman of the wheat board was recently in the Orient. In Hong Kong he had the opportunity to question a number of people who I think were in a position to give an accurate version. A representative of Australia visited China officially a short time ago and he reported that he was advised that the government is not interested in the purchase of any foodstuffs or of wool or cotton. I think that we must assume that the reports being sent out by the gentleman referred to are not accurate reports.

Mr. Diefenbaker: In further reference to Mr. Marshall A. Johnson who is now in Peking, the representative of these companies, would the Prime Minister consider that it would be a proper course to have Mr. Johnson while there try to collect something on the $12 million on the Ming Sung ships that pass in the night? He is there now.

Right Hon. L. S. St. Laurent (Prime Minister): No, Mr. Speaker; I do not think that procedure would be very effective.

PRIVILEGE

MR. CAMERON, NANAIMO—REFERENCE TO ARTICLE IN MONTREAL "GAZETTE" OF MAY 28

On the orders of the day:

Mr. Colin Cameron (Nanaimo): Mr. Speaker, I am rising on a point of privilege. I hold in my hand a copy of the Montreal *Gazette* dated Monday, May 28, in which there is an editorial containing the following paragraph:

> Nor was this all. To make matters worse, the Speaker of the House of Commons, and his deputies, were inevitably dragged into the struggle on behalf of the government. Instead of playing an impartial role, they were required, whatever their own opinions may have been, to play their parts in chipping and chopping at parliament rights and privileges—all in the interests of stifling the voice of the house and getting the bill through.

Mr. Speaker, that is a reflection upon yourself and your deputies and also, therefore, a reflection on every hon. member of this house, and I suggest to you that, if it is not true, then some action should be taken with regard to the publishers of this particular newspaper. If, on the other hand, it should be true, then some action should be taken with regard to the government.

Mr. Speaker: I am very glad that the hon. member brought that up. During the week end I reread all the rulings that I have made since the beginning of this pipe-line legislation. I have checked and rechecked them. I have found this: that in the case of the motion of the Leader of the Opposition to divide the bill in two, which I accepted, I should have ruled it out of order because notice had to be given for a motion of that kind. Secondly, I accepted a motion to adjourn the house by the hon. member for Winnipeg North Centre (Mr. Knowles), and later, while discussing other matters, I did express the view that, although standing order 25 says that a motion to adjourn the house shall always be in order, I was coming to the view that if a motion is not debatable it would be difficult for anyone to stand up and say even, "I move that the house be now adjourned."

On that score I was wrong. I think that a motion to adjourn the house is always in order, and I have rallied myself, and I am glad to have an opportunity, in case this motion is desired to be used, to say now that, even on a non-debatable motion, a motion to adjourn the house is in order.

Except for those two instances, I stand by all the rulings that I have made. Now, I do not like what has happened and what has appeared in the press any more than any hon. members do. I want to tell this to hon. members, that my record since I have occupied the chair—and that is since 1949—is there to prove it. Furthermore, I will say this. I have a family and I have children who are old enough to understand what the word "impartial" means, and I do not want my children, when I go home, after they have read the newspaper, to look at me in such

Prime Minister. Would the Prime Minister indicate what information he has as to when it may be expected the federal power commission in Washington is going to render a decision on the application by Midwestern pipe line company to import gas from Trans-Canada Pipe Lines Limited into the United States? When is that decision expected? Is there any observer there for the Canadian government? What is the position in general with regard to that application?

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I am not in a position to give the hon. member any information. I shall inquire whether there is a Canadian observer there. I am not in a position at the moment to state if the proceedings are being followed by a Canadian observer.

TRANS-CANADA PIPE LINES—REQUEST FOR TABLING OF AMOUNT OF SALES CONTRACTS

On the orders of the day:

Mr. Alistair Stewart (Winnipeg North): I should like to direct a question to the Minister of Trade and Commerce. Is he in a position yet to answer the question I asked last week about the sales contracts of Trans-Canada Pipe Lines Limited? The minister will remember that I asked whether he had any information about the total amount of sales contracts in terms of millions of cubic feet per annum.

Right Hon. C. D. Howe (Minister of Trade and Commerce): I have only an approximation. I had our files searched, and I find an approximation made three or four weeks ago that the quantity is about 140 million cubic feet.

GRAIN

RYE—REQUEST FOR HANDLING BY WHEAT BOARD

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the minister's attention been drawn to a statement attributed to Mr. Zyto, Poland's commercial attaché at Ottawa, which appeared in the *Leader-Post* of May 22, that "if rye had been under the control of the Canadian wheat board Poland would have purchased considerable quantities of that grain"?

Would the government, in view of this statement, give consideration to including the handling of rye by the Canadian wheat board for the next crop year?

Right Hon. C. D. Howe (Minister of Trade and Commerce): My hon. friend was good enough to give me notice of the question. I have not seen the newspaper dispatch. However, the position regarding rye is that there has not been any difficulty whatever in selling rye as quickly as it has been delivered to the country elevators, and selling it at favourable prices. Whether Poland would or would not have bought rye is a question that I doubt is relevant, since all the rye has been sold as it has been delivered. There are strong reasons why the government does not believe that the handling of rye by the Canadian wheat board is desirable. I see nothing in the Polish situation that would change its views in that direction.

CHURCHILL—INQUIRY AS TO POSSIBLE REDUCTION OF RATES

On the orders of the day:

Mr. E. G. McCullough (Moose Mountain): I should like to address a question to the Minister of Transport. Can the minister state if any consideration has been given by the government to reducing shipping rates through the port of Churchill? If so, what decision has been arrived at?

Hon. George C. Marler (Minister of Transport): I think I should explain to the hon. gentleman that the shipping rates through the port of Churchill are not regulated by the government. As he is probably aware, they are set more or less by agreement among the shipping companies. The government has no part in the setting of the rates so it is not a matter over which the government has control or to which it has given consideration.

Mr. McCullough (Moose Mountain): Has any consideration been given by the government to the extension of the normal shipping season through the port of Churchill?

Mr. Marler: We have taken some action by way of providing information by means of an aerial patrol as to ice in the Hudson strait. We have taken one or two other steps at Churchill itself. However, I do not think that the length of the shipping season depends on actions that we take but rather on the presence of ice in Hudson strait and the rate at which insurance on shipping is set for service to Churchill.

TRADE

CHINA—NEGOTIATIONS BY EAST WEST EXPORT IMPORT COMPANY

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): I should like to direct a question to the

by the standing orders which are affected by the disappearance of this notice of motion, as was decided last year. There is a distinction. The one that we are talking about now is not a private member's notice of motion under standing order 48. We are talking about a very serious type of motion which is a preferred one, which is of a privileged character, and that is to challenge the conduct of an officer of this house. I say that this is the course to follow and I do undertake now, unless I die in the meantime, to rule that whenever that motion comes up it will be debatable under routine proceedings. If that motion is put on the order paper I undertake to instruct the Clerk to put it under motions and routine proceedings in the same manner as we decided last year to put other routine proceedings such as motions for concurrence in reports of committees. We would be only 48 hours away, if hon. members wished to take that course, for discussing in a proper manner the conduct of the chairman of the committee of the whole. So it is with regret that I cannot accept the motion.

CANADIAN NATIONAL RAILWAYS

FORT ROUGE, WINNIPEG—INQUIRY AS TO REBUILDING OF CAR SHOP

On the orders of the day:

Mr. O. C. Trainor (Winnipeg South): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister say whether it is the intention of Canadian National Railways to reconstruct the Fort Rouge shops recently destroyed by fire on the present site? In any event will he give the house the assurance that before any final action is taken in this regard the wishes of the employees concerned will be considered.

Hon. George C. Marler (Minister of Transport): Mr. Speaker, on Friday the hon. member for Winnipeg North Centre (Mr. Knowles) asked a similar question about the Fort Rouge shop. I am informed by the management of Canadian National Railways that fire destroyed one building, the main freight car shop. The wood mill, power plant and other ancillary buildings were not destroyed. Plans are under study as to the handling of the work formerly produced by the shop and almost all of the employees involved have been absorbed in the Fort Rouge or Transcona areas and the remainder will be placed shortly. While the management has no plans to rebuild the facility at the present location it is the intention to continue general repairs to freight cars in the Winnipeg area. I think that answers the questions asked just a moment ago.

Mr. Trainor: A supplementary question. Is the minister aware that there is a very strong opinion among the employees that the facilities at Fort Rouge ought to be continued in that area and not transferred to Transcona?

Mr. Marler: I think when the hon. gentleman reads my reply in *Hansard* he will see that management has no plans to rebuild the facilities at the present location but that it is the intention to continue general repairs to freight cars in the Winnipeg area.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. May I ask the minister if he will ask the management of the Canadian National Railways to hear representations from the employees concerned in connection with this matter. May I not have an answer?

Mr. Marler: I do not think I could give any such assurance as the hon. gentleman requests, but I shall be glad to transmit to management the views which he has expressed.

CHIBOUGAMAU-ST. FELICIEN BRANCH LINE —ALLEGED VIOLATION OF LORD'S DAY ACT

On the orders of the day:

Mr. Leon Balcer (Three Rivers): I should like to direct a question to the Minister of Transport. Has the minister's attention been directed to a press report that appeared in the *Gazette* of Friday, May 25, to the effect that the construction companies engaged in the construction of the Chibougamau-St. Felicien railroad are violating the law respecting observance of the Lord's day and that workers who refuse to work on Sundays are gradually liquidated by these companies? If so, what is the minister's department going to do about it?

Hon. George C. Marler (Minister of Transport): Mr. Speaker, I wish to tell the hon. gentleman that I did read the report in the *Gazette*. It seems to me this is a matter for the contractors and also a matter for the provincial authorities to enforce the Lord's Day Act. So far as I am concerned, I have directed inquiries through Canadian National Railways to ascertain what are the facts.

PIPE LINES

TRANS-CANADA PIPE LINES—INQUIRY AS TO DECISION BY FEDERAL POWER COMMISSION

On the orders of the day:

Mr. J. G. Diefenbaker (Prince Albert): Mr. Speaker, may I direct a question to the

a matter of urgent public importance, namely the subordination by the government of the office of chairman, and that raises the position of the government as the primary issue in this motion. It is drawn expressly for that purpose because our opinion is that it is the government that has offended in this case and that position is not met by the reference which Your Honour has made.

I submit, Mr. Speaker, that when we are called upon to carry forward debate, even under the very limited extension of the right of debate that has been implied by the Prime Minister's statement this afternoon, we would be doing so without disposing by an orderly discussion of an issue which is of concern to every hon. member here. The role of Speaker and the role of chairman of the committee is of just as much concern to me and to every private member as it is to those who occupy that office. This is part of the whole procedure of parliament. What we are complaining about is the extent to which this government has shamelessly subordinated the office of chairman to its personal interests. I submit, Mr. Speaker, that the motion by notice is one which is limited expressly to the condemnation of the chairman as its primary purpose, whereas our motion is clearly drawn to deal with a situation in which the government has exercised its authority to damage an office which is of immense importance not only to the members of this house but to all the people of Canada.

Mr. Speaker: Notwithstanding what may be the purpose of the Leader of the Opposition's motion, he has not convinced me that the person himself, that is the chairman of committees, would not, in the course of the debate on this motion, have his conduct criticized and I still say that it is not possible to divorce the two. If certain hon. members want to blame the government for the conduct of the chairman, well, that is their privilege; but if, in the motion in which they want to do that, the chairman of committees is to be involved, he has the right to have his own conduct properly debated in a separate and distinct motion, and that is the procedure I outlined a moment ago. Now, I would hope that hon. members would rally themselves to that procedure rather than to follow the indirect course which is submitted in this motion. In any event—

Mr. Fulton: May I raise one point, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Fulton: I do so with deference, but I ask you to realize the implication of the ruling which I understand you are about to make; that is, when the conduct of a private member is brought into question it is apparently to be disposed of without debate, as was done on Friday afternoon in accordance with the ruling which you made; yet you say, sir, or I understand you are about to say, that when the conduct of the Deputy Speaker is brought into question there must be notice and debate. I fail to see why there should be any distinction between the two and I suggest to you—

Some hon. Members: Rules of the house.

Mr. Fulton: —that the reasons which you have given do not actually apply. In fact, we have been told by Speakers on numerous occasions that notwithstanding the provision that motions must be brought up after notice there is no way in which a private member can give notice, and it is for that reason that this matter is brought forward in this manner today, in the only way in which we can get it before the house. My main reason for rising was to point out the implication of the ruling which I understand you are about to make, that there is one course of procedure which should prevail with respect to the conduct of a private member and another one for the Deputy Speaker, which is a proposition we cannot accept.

Mr. Sinclair: It is according to the rules of the house.

Mr. Speaker: Well, I have listened very carefully to the remarks of the hon. member for Kamloops and in making his submission how he can indicate that there is on my part a ruling for one case and another one for another case I really cannot see.

Mr. Fulton: I was pointing out the facts.

Mr. Speaker: If the hon. member wishes to take the case of last Friday in point he is forgetting that before the motion was made there was discussion as to the type of motion that would be moved. If at that moment instead of three or four hon. members only rising there had been 264 I would have had to see them all. From the moment the motion is made it is not debatable. There is the distinction.

In this case the hon. member for Kamloops insists, after I have indicated to the house: that a motion such as the one that is contemplated by citation 225 is one that must come up under routine proceedings, I say that it is debatable and do undertake to rule so, as I am positive that that is the way under standing order 32 (m), he still insists that there is no way that he can bring this about because there is no way a private member can give a notice of motion at this time. There is a distinction between a private member's notice of motion contemplated

House of Commons

Mr. Drew: Mr. Speaker, I would point out that the time for private members' motions has expired.

Mr. Speaker: Order. It does not come under that heading, may I submit with respect, because this is a matter which is covered by standing order 32, paragraph (m), which reads as follows:

32. (1) (m) such other motion, made upon routine proceedings, as may be required for the observance of the proprieties of the house, the maintenance of its authority, the appointment or conduct of its officers, . . .

I submit that the Speaker, the Deputy Speaker and chairman of committees and the deputy chairman of committees are officers of the house. There is therefore no doubt in my mind that the proper course to be followed is for notice to be given of a substantive motion. Once the notice time has elapsed for the motion on the order paper, it is placed upon the routine proceedings, namely under "motions". By virtue of standing order 32 (1) (m) it is debatable and must be taken up when it comes up.

Mr. Coldwell: May I say a word, Mr. Speaker?

Mr. Speaker: Yes.

Mr. Coldwell: I certainly think it would be an ill-advised move to turn down this proposal on a technical question. There is no doubt about it that there is in the house a feeling with regard to the Chair—and I am using the word "Chair"—in this debate which I think is most unfortunate. I have been one of those, I think, who have respected the Chair generally and who have respected this institution and I think it would be well to have this matter cleared up before we proceed any further with the debate that is under way. From the point of view of the house and from the point of view of Your Honour I think it would be a mistake to refuse to accept this motion on the ground that the proper thing to do is to introduce a substantive motion which could be debated only after this debate is over.

Mr. Speaker: No. I want to make the matter clear. The hon. member for Rosetown-Biggar (Mr. Coldwell) seems to be under the impression that the motion could be debated only after this debate is concluded. Of course I do not know how long it will take to conclude this debate, but the debate could take place 48 hours from now.

Mr. Coldwell: I am wondering whether the government would allow that, having in mind what has occurred on this pipe-line bill. The government brooks no delay, no discussion and no debate. It invokes closure at every stage.

[Mr. Speaker.]

Mr. Speaker: May I submit to the hon. member for Rosetown-Biggar that it is not a matter for the government or for the opposition to decide. It is a motion which, as the standing orders provide, must follow its course.

Mr. Knowles: Except that the government may move the adjournment of the debate.

Mr. Speaker: Is that not so with regard to any substantive motion? There is no question that the mover, in making his motion, or in taking up his order, has the right to make a speech. Just to go a little bit further—of course we are anticipating what may happen, but I do so just in order to elucidate the position as I see it—I submit that the person concerned in the motion, namely the chairman of committees, should be heard as soon as the motion is made and the speech of the mover is heard. The hon. member for Rosetown-Biggar says it would be a mistake to turn down this motion; there may be something in what he says. But I submit that, if the course that he suggests—that of accepting the motion—is to be followed, it is one that should be adopted by the house itself. So far as I am concerned, as Speaker, I am interested in only one thing, and that is to give the proper ruling, and I stand by that statement.

So far as this motion is concerned, in my opinion the right ruling to give, since it is a motion in which the conduct of the deputy chairman is necessarily involved—I do not think anyone will construe this motion otherwise—under our rules and under our practice is that there is a procedure provided with which to deal with this matter. I think I have tried to clear up the apprehensions of hon. members as to whether or not this motion is debatable when it comes up, and what happens to it. The motion goes on the notice paper, and after it has served its 48 hours' time as determined by standing order 41, the motion comes up during routine proceedings under "motions". By virtue of standing order 32 (m), I am advising the house immediately that in my humble opinion the Speaker, the Deputy Speaker, and deputy chairman of committees are officers of the house. At that moment, when the motion comes up, the same as a motion for concurrence in a committee report, it is taken up and the mover has the floor. What happens to the motion after that is the same as what happens to any substantive motion.

Mr. Drew: I had not completed my remarks, but I sat down when you rose. What I would point out is this. I submit there is a distinct difference between this motion and the manner in which it has been interpreted. What we are asking is permission to debate

HOUSE OF COMMONS

Monday, May 28, 1956

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

PIPE-LINE DEBATE—PROCEDURE IN COMMITTEE

Right Hon. L. S. St. Laurent (Prime Minister): Mr. Speaker, I rise on a question of privilege. The procedure followed by the government has been represented as an effort to prevent debate on the pipe-line bill, and I want to state emphatically that as soon as the motion before the committee is disposed of, further debate on the bill can begin and there will be all this week for it to be continued on its remaining stages.

Mr. Diefenbaker: The retreat from Moscow.

Hon. George A. Drew (Leader of the Opposition): Do I take that to mean, Mr. Speaker, that the debate will not be continued on the committee stage?

Mr. St. Laurent (Quebec East): No, Mr. Speaker. I say that, as soon as the motion before the committee has been disposed of, debate can begin either on clause 4 or, if hon. members wish to postpone clause 4, on clauses 5, 6 and 7, those we had thought would be the operative clauses on which it would be most interesting to have the debate develop.

Mr. Drew: While welcoming any acceptance of the need for debate on the committee stage, I would point out that the appropriate procedure would be to revert to clause 1 because—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Drew: —unless we have dealt with clause 1 and particularly with clause 2, discussion of subsequent clauses becomes almost meaningless.

Mr. Diefenbaker: Complete the retreat from Moscow.

STANDING ORDERS

Second report of standing committee on standing orders.—Mr. Harrison.

HOUSE OF COMMONS

OFFICE OF CHAIRMAN OF COMMITTEE OF THE WHOLE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. George A. Drew (Leader of the Opposition): Mr. Speaker, I ask leave, seconded by Mr. Diefenbaker, under standing order 26 to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, namely, the subordination by the government of the office of chairman of the committee of the whole to serve the partisan interests of the government.

Mr. Speaker: The Leader of the Opposition has submitted a statement of what he considers a matter of urgent public importance in which he refers to the subordination by the government of the office of chairman of the committee of the whole to serve the partisan interests of the government. This motion could not in any shape or form be construed as not being a reflection on the holder of the office of chairman of the committee of the whole, and it is doing by indirection what must be done in a direct manner. Citation 432 of Beauchesne, third edition, reads as follows:

> If a member wishes at any time to call in question the conduct of the chairman in the execution of his duties, the proper course is to give notice of a motion to that effect in due course.

Citation 225 of Beauchesne, third edition, is to the following effect:

> Certain matters cannot be debated save upon a substantive motion which can be dealt with by amendment or by distinct vote of the house, such as the conduct of the Governor General, the Speaker or Deputy Speaker, members of either house of parliament or judges. These questions cannot therefore be discussed by way of amendment nor upon a motion for adjournment by way of standing order 31.

That is now standing order 26.

> For the same reason, no charges of personal character can be raised save upon a distinct and substantive motion to that effect.

The corresponding paragraphs in Bourinot pertaining to the same subject are to be found at page 397 and page 177. Although I am not called upon to give advice, perhaps I could say to the Leader of the Opposition that with respect to a matter such as the one contemplated in his motion the procedure is to put a notice of motion on the order paper and as soon as the 48 hours' notice as required by standing order 41 has been spent the matter is placed upon routine proceedings under "motions" and must be dealt with as soon as routine motions are called. It is a debatable motion. I would therefore submit that the proper way in which to deal with the matter would be to follow the course which is indicated must be followed.

	Questions		Questions
July 6	98.21	November 9	8.02
July 21	65.65	November 16	13.95
July 22	28.50	1956: January 5	120.34
July 26	972.00	February 16	12.92
August 10	53.28	February 23	20,000.00
September 13	121.01	February 24	2,525.00
October 7	20.44	March 5	101.20
October 27	12.92	March 6	1,349.60
November 7	33.55	March 13	179.20
November 7	10.03	March 13	2,522.75
November 8	172.35		

* As amended.